3 Cheap Dividend Stocks to Buy Before the New Year

Description

The **S&P/TSX Composite Index** was down 174 points in late-morning trading on December 13. Every segment, apart from utilities, was in the red to kick off the week. Today, I want to look at three undervalued dividend stocks that are worth snatching up in the final weeks of 2021. Let's jump in.

Here's a monster dividend stock to snatch up in late 2021

Keyera (TSX:KEY) is a Calgary-based company that is engaged in the energy infrastructure business in Canada. Shares of this dividend stock have climbed 22% in 2021 at the time of this writing. The stock has slipped 8.1% in the month-over-month period.

The company unveiled its third-quarter 2021 earnings on November 3. It posted adjusted EBITDA of $214 million — up from $196 million in the previous year. However, distributable cash flow (DCF) came in at $149 million compared to $175 million in the third quarter of 2020. Meanwhile, net earnings more than doubled to $70 million over $33 million in the prior year.

In late November, I'd recommended Keyera as a great option for investors on the hunt for passive income. The company still has a very strong liquidity position of $1.4 billion at the end of the third quarter. Keyera offers a monthly distribution of $0.16 per share, which represents a tasty 6.8% yield. This is a dividend stock worth snagging before the new year.

This stock has cratered since later October: Is it time to buy?

Mullen Group (TSX:MTL) is another Alberta-based company that provide a range of trucking and logistics services in North America. Shares of this dividend stock have increased 6.5% in the year-to-date period. The stock has plunged 7.1% over the past month. Mullen unveiled its third-quarter 2021 earnings on October 27.

Total revenues surged 48% year over year to $432 million in the third quarter of 2021. Meanwhile, total adjusted operating income climbed 17% to $64.4 million. Mullen was powered by acquisitions that were made earlier in the year. Moreover, its core businesses performed in line with its expectations. However, the company has suffered due to lower capital investment in recent quarters. This could worsen if interest rates begin to climb rapidly in 2022.

This dividend stock last had an attractive P/E ratio of 17. It pays out a monthly dividend of $0.04 per share, which represents a solid 4.1% yield.

One more dividend stock to buy before the new year

In late November, I'd recommended investors scoop up Quebec-based bank and dividend stocks for late 2021 and beyond. **National Bank** (TSX:NA) is the smallest of the Big Six Canadian banks but a powerhouse in its home province of Quebec. Shares of this dividend stock have increased 33% in the year-to-date period. The stock has plunged 9.1% month over month.

In Q4 2021, National Bank delivered net earnings growth of 58% to $776 million, or 61% on a per-share basis to $2.19. The bank delivered growth in all its major segments in the final quarter of 2021. National Bank possesses a fantastic balance sheet to close out the fiscal year.

Shares of this dividend stock last had an attractive P/E ratio of 10. National Bank possesses an RSI of 28, putting it in technically oversold territory. Better yet, it hiked its quarterly dividend to $0.87 per share. That represents a 3.6% yield.

CATEGORY

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