



## 3 Insanely Cheap Dividend Stocks to Buy This Month

### Description

The Canadian stock markets are once again turning red in December. Over the past month, the **S&P/TSX Composite Index** has declined more than 5% from all-time highs. If you are not afraid to be patient and take a long investing approach, these current market jitters can be great buying opportunities. If you like buying Christmas gifts on sale, you should like buying [stocks on sale](#) just as much.

Stock market volatility appears to be on the rise. Consequently, dividend stocks are nice way to earn a stable cash-yielding return. Here are three interesting Canadian dividend stocks that look fairly cheap right here.

### A Canadian utility stock

It has been an ugly year for renewable power stocks. Concerns around inflation and rising interest rates are putting pressure on these bond-proxy stocks. However, if you are investing with a five-year (or more) time horizon, they can offer attractive growing dividends and reasonable inflation-beating upside. **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) stock is down almost 15% this year.

Algonquin just [announced](#) its five-year capital plan. It expects to increase its total capex spend to increase to \$13 billion. It is forecasting adjusted earnings per share to grow by a 7-9% compounded annual growth rate. This is down from last-year estimates of 8-10% annual earnings-per-share growth. The market was a bit disappointed, and this Canadian stock has pulled back to near bargain-bin territory.

Algonquin stock pays a good 4.75% dividend yield that is covered by cash flows. Likewise, its projected growth rates are still superior to other utility peers. If management can achieve what it says, this stock should reward patient shareholders.

### A North American infrastructure stock

Another utility-like stock to own for the long term is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Undoubtedly, it has had its ups and downs over the past few years. Yet I think its 7.15% dividend more than makes up for that. Certainly, such a high dividend yield can be a concern. However, it is amply covered by cash flows from its largely contracted or regulated North America operations.

One area to be optimistic is Enbridge's increasing focus on the global energy transition to renewables. Most of its future capex is focused on natural gas, renewables, and utility assets.

Oil energy transportation is expected to become less than a third of its total operations in the near future. While you wait for this to play out, investors enjoy an outsized yield and mid-single digit annual [dividend growth](#).

## A top Canadian bank

Canadian banks have traditionally been a very stable way to capture solid dividends and modest dividend growth. Among the largest Canadian banks, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has a leading retail platform in Canada and the United States.

Currently, the stock market is weighing all sorts of bad news related to the Omicron variant. As a result, TD's stock is starting to decline. Yet, as is often the case, this may be an overreaction.

Every passing year, the world becomes more and more capable of managing the COVID-19 virus. As time goes on, society should return to more normal consumer and investing activities. That re-stabilization should bode favourably for TD.

Right now, it has a great balance sheet and excess capital. Consequently, it has opportunities to invest in growth and still reward shareholders. It just raised its dividend by 12.6%. This Canadian stock now yields 3.7%. With a price-to-earnings ratio of only 12, this Canadian dividend stock looks attractive.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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