



2 Cheap TSX Dividend Stocks to Buy Right Now

Description

The stock market rally in 2021 wiped out most of the good deals in the **TSX Index**, but dividend investors can still find cheap stocks to buy right now for their [TFSA or RRSP](#) portfolios.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) had a rough time in the second half of 2021. The company saw revenue drop due to lower wind conditions across its wind facilities. TransAlta Renewables also suffered an unplanned outage at a gas-fired power plant and then had to shut down 50 wind turbines at its operations in New Brunswick after one of the turbines collapsed.

In October, the company warned that all of the foundations for the 50 Kent Hills turbines might need to be replaced. Management confirmed this on January 11. The news sent the stock to a new 12-month low near \$16 per share. At the time of writing, TransAlta Renewables trades near \$16.50 per share. The 2021 high was above \$22.

The Kent Hills repairs will take up to two years to complete and cost as much as \$100 million. TransAlta will also lose \$3.4 million per month on an annualized basis while all 50 turbines are not operating. This is a frustrating situation for investors, but there is now clarity on the remedy, and the selloff in the stock appears overdone.

TransAlta Renewables recently completed new projects and an acquisition and is expected to put new assets into service in 2022. Revenue from these initiatives will help offset the hit on the Kent Hills shutdown.

In the big picture, the company has a bright future. Renewable energy assets that are already built should increase in value as rising copper, labour, and metal prices drive up the cost of building new sites. Renewable Power contracts are increasingly in demand, as companies look for ways to meet their [ESG](#) targets.

Investors who buy the stock at the current price can pick up a solid 5.7% yield and wait for the share

price to recover.

Russel Metals

Russel Metals ([TSX:RUS](#)) is a major metals distribution player in Canada and the United States. Its three core business segments include metals service centres, energy products, and steel distributors.

The company is benefiting from the rebound in steel demand. Better pricing and tight supplies mean the good times should continue this year. The energy [sector](#) is flush with cash and will likely boost drilling activity in 2022 and 2023 to take advantage of high prices. Major infrastructure projects in the United States should also support demand growth.

Russel Metals has a long track record of expanding through acquisitions, and that trend should continue as the industry consolidates. In December 2021, Russel Metals closed its US\$110 million acquisition of U.S.-based Boyd Metals, which operates five service centres.

The stock trades near \$33.50 at the time of writing and provides a 4.5% dividend yield.

The bottom line on top dividend stocks to buy now

TransAlta Renewables and Russel Metals pay attractive dividends that should be safe. The share prices look reasonable at current levels and could deliver solid returns for investors in the next couple of years. If you have some cash to put to work in a dividend fund, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)
2. TSX:RUS (Russel Metals)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/09/06

Date Created

2022/01/17

Author

aswalker

default watermark

default watermark