



## 3 Cheap Dividend Stocks to Buy Right Now

### Description

Amid the easing of tension between Russia and Ukraine, the equity markets are beginning to bounce back. Amid improving market conditions, here are three cheap [dividend stocks](#) that you can buy right now to earn superior returns.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has been under pressure since the beginning of 2021. Over the last 13 months, the company has lost 11.6% of its stock value amid the weakness in the renewable energy space. The correction has dragged its valuation to attractive levels, with its forward price-to-earnings multiple at an attractive 18.2.

Meanwhile, last month, Algonquin Power & Utilities acquired New York American Water Company. It is currently working on acquiring Kentucky Power Company and AEP Kentucky Transmission Company. These acquisitions could boost the company's rate base by \$2.2 billion while increasing its overall mix to 80% regulated assets. Additionally, the company expects to add 0.6 gigawatts of power-producing facilities by the end of next year.

So, given its growth initiatives and stable cash flows from regulated assets, Algonquin Power & Utilities's dividend is safe. Currently, it pays a quarterly dividend of \$0.2124. Its forward yield now stands at a healthy 4.79%. So, I believe Algonquin Power & Utilities could be an excellent addition to your portfolio.

### TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) has underperformed the broader equity markets this year, losing 8.8% of its stock value. Last month, the company announced that it needs to replace the foundations of all the 50 wind turbines located at its Kent Hills 1 and 2 wind sites. Further, the company added that it would incur \$75-\$100 million in expenses and expects to complete the replacement by the end of next year. Additionally, the company has to forgo a monthly revenue of \$3.4 million until these turbines

become fully operational. These announcements had dented investors' confidence, dragging the company's stock down.

However, the recent correction offers an excellent buying opportunity for long-term investors, given its growth potential. The increased transition towards renewable energy and strategic acquisitions augur well with its growth. It has a strong pipeline of projects, with around 2.9 gigawatts of projects in the evaluation stage. So, I believe the company is well equipped to continue paying dividends at a healthier yield. Currently, it delivers a monthly dividend of \$0.07833, with its forward yield of 5.55%. So, despite the near-term volatility, [I am bullish on TransAlta Renewable](#).

## TC Energy

My final pick is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), which has increased its dividends for the last 21 years at a CAGR of 7%. Today, the midstream energy company has delivered a solid [fourth-quarter performance](#), with its adjusted EBITDA rising by \$81 million to \$2.4 billion. The company is progressing with \$24 billion secure capital projects, with the management expecting to put around \$6.5 billion of projects into service this year. These investments could grow the company's adjusted EBITDA at a CAGR of 5% over the next five years.

Further, the increase in energy demand could also boost its asset utilization rate, thus driving its financials. So, TC Energy is well positioned to continue with its dividend growth. Currently, it pays a quarterly dividend of \$0.90 per share, with its forward yield of 5.40%. Given its healthy growth prospects, high dividend yield, and attractive forward price-to-earnings multiple of 15.8, TC Energy could be an excellent buy right now.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TRP (Tc Energy)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:RNW (TransAlta Renewables)
5. TSX:TRP (TC Energy Corporation)

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## Date

2025/07/05

## Date Created

2022/02/15

## Author

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