1 of the Best Cheap TSX Dividend Stocks Out There Today

Description

It's been a rough start to the year, but if you've yet to put your latest $6,000 TFSA (Tax-Free Savings Account) contribution to work, now seems to be a good time, with some of the more intriguing TSX stocks that are now in a bit of a slump. Most importantly, they're in a slump due to reasons outside of their control. Indeed, whenever you can grab shares of a company that's performing well at the idiosyncratic level but is being dragged down from broader market jitters, you may very well have a bargain on your hands.

In this piece, we'll have a closer look at one TSX stock that looks to be a great addition to any value-focused portfolio, as we enter the latter half of the first quarter (the first quarter is just flying by!). Undoubtedly, markets are still attempting to stage a recovery from this Q1 2022 stock market correction. Whether it worsens into something more drastic is anybody's guess. Regardless, today's slate of bargains is worth checking out if your allocation is a bit light on the equity side, leaving you less equipped to battle with yet another year or two of high inflation.

Inflation isn't backing away: Time to scoop up a TSX stock bargain today?

With Canada's CPI numbers swelling past 5%, the Bank of Canada looks to be falling behind the curve. Just like the Fed. Unfortunately, that means prices could continue to swell, and investors should look to on-sale dividend stocks to help them offset ongoing price increases.

The Bank of Canada will raise rates in time. Why they didn't last month, though, is a complete mystery. I think they should have hiked rather than waiting for the Fed to lead. Inflation may not be as high as in the states, but Canadians are really feeling the pressure.

A top bank stock like **CIBC** (TSX:CM)(NYSE:CM) is an intriguing value option with a fat dividend.

CIBC

CIBC has a history of not responding too well to market meltdowns or economic disasters. Shares of the number-five Canadian bank struggled to recover from the dot-com bust and the Great Financial Crisis. Indeed, the bank is prosperous when times are good, but when a crisis strikes, shares tend to severely underperform the peer group. This has changed, though. The bank has new managers, and I believe it's learned lessons from the past. It's no longer as risky a bank as it used to be. Although it does have more than its fair share of Canadian mortgage exposure, leaving it vulnerable to the high-impact, low-probability event that sees Canada's housing market crumble, I think that the bank has taken steps to become more risk-averse.

Indeed, CIBC's performance through the COVID crisis is applaud-worthy. With its new leadership, I think CIBC is no longer the banking underdog but a worthy member of the Big Six. Today, the stock goes for 11.7 times trailing earnings. That's far too cheap, given CIBC's resilience in my books. With a 4% yield, CIBC strikes me as a bargain following its modest 3% dip. Sure, it's not much of a discount, but as a stock that can get cheaper as it rises, thanks to improving fundamentals, I'd argue the stock is a pretty great deal.

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Date
2025/07/24
Date Created
2022/02/18
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