2 Cheap Dividend Stocks to Buy Before February Ends

Description

The stock market continues to showcase signs of weakness in 2022. After the **TSX Composite Index** rose by 21.7% in 2021, the benchmark fell by 0.6% in January. While the broader market started February on a strong note by inching up 2.6% in the first week, it turned negative again on a month-to-date basis this week. Broadly, risky growth stocks are some of the worst performers on the market this year.

Why invest in cheap dividend stocks?

The recent market weakness could be another reminder for investors to add some cheap dividend stocks to their portfolios right now, which are usually considered more reliable and less risky in uncertain times. In this article, I'll highlight two such cheap dividend stocks on the TSX, which could help you get positive returns, even in tough times, without causing any significant risks to your stock portfolio.

Peyto stock

Peyto Exploration & Development (TSX:PEY) is a Calgary-based energy company primarily focused on the production of natural gas liquids. This high dividend-paying stock currently has a market cap of about $1.7 billion, as it trades at $10.24 per share with 8.4% year-to-date gains.

While Peyto is yet to report its full-year 2021 financial results, its revenue is expected to jump to $810 million for the year from $376 million in the previous year. With the help of this massive topline growth, the company is expected to report net earnings of around $0.88 per share in 2021 compared to an adjusted net loss of $0.19 per share in 2020.

Besides its significantly improving financial growth trends, Peyto Exploration also rewards its investors with handsome monthly dividends. This cheap Canadian stock currently has an attractive dividend yield of around 5.9% at the moment, making it worth buying for the long term.

Chartwell Retirement Residences stock

Chartwell Retirement Residences (TSX:CSH.UN) could be another great cheap dividend stock to buy in Canada right now. It's a Mississauga-based open-ended real estate firm with its primary focus on retirement and long-term-care residences. In 2020, nearly 80% of its total revenue came from its retirement operations. Chartwell currently has a market cap of about $2.9 billion, as its stock trades at 5.2% year-to-date gains at $12.43 per share.

The COVID-related factors have badly affected Chartwell's overall business growth in the last couple of years. This is one of the reasons why this dividend stock fell by 20% in 2020. Nonetheless, a continuous improvement in its leading sales indicators points to an occupancy recovery at its retirement residences. This expected recovery could help the company drive a sharp financial recovery in the coming years and help its stock yield good returns.

Despite facing a challenging business environment in recent years, Chartwell Retirement Residences currently offers an attractive dividend yield of about 4.9%. If you're looking for extraordinarily high returns on your investment in a short period of time, then Chartwell Retirement stock might not be the right choice for you. However, if you want to see your money consistently grow without exposing you to significant risks, then it could be one of the best cheap dividend stocks for you to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:CSH.UN (Chartwell Retirement Residences)
2. TSX:PEY (Peyto Exploration & Development Corp)

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