



1 Cheap, High-Growth Dividend Stock I'd Pounce on Today

Description

It's a rocky road out there, with stock market volatility taking it to the next level. But, it's times like these when great investors can stand out from the pack. There are always top picks in the stock market, especially when markets sag lower and [newbies](#) continue throwing in the towel, giving up hope on a fallen stock's recovery prospects. Currently, there's one standout name that I believe is worth checking out. Now, nobody knows how low this market will go. I wouldn't be surprised if March deals another hit to Mr. Market's chin. That said, I also would feel terrible if the markets were to bounce back in March and I hadn't bought anything.

Indeed, you should hedge your bets, even if you're not feeling too great about this market. Undoubtedly, the gloom and doom on the Street is always high after a market correction. After a correction comes a bear market. And after the bull dies, people always think it can go longer. Indeed, nobody can time a bottom. We learned this during the 2020 stock market crash on the back of COVID.

Cheap and growthy stocks to buy

When you stick with your bottom-up [analysis](#) on stocks, though, you will do well over the long term, even though you'll feel pretty foolish (lower-case "f") over the short- or even medium-term (think on a week-to-week or month-to-month!). The good news is if you don't need to report to anyone or obtain returns over a concise time span — you need not worry about such fluctuations. As a long-term investor, you don't have the same pressure as others, like professional money managers are under!

That's why you need to take a step back and consider the big picture. In this piece, we'll look at one of the best cheap, growthy stocks I'd be a buyer of, even if I think the markets won't bottom out next month or even next quarter!

Algonquin Power

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) was such a great growth darling and a way for investors to get their dividend (growth) and capital gains in one package. Indeed, renewable power is

the way to go, given demand is unlikely to dry up anytime soon! That said, such power projects do not come cheap. With borrowing costs on the rise, Algonquin and other high-growth utility plays will get a bit of a headwind.

That said, it will not be nearly as prominent as it is for unprofitable growth companies! Algonquin is very much profitable, and although it'd prefer a low-rate environment for longer, I'd argue that most of the rate-related (and company-specific) headwinds are already baked in. The road ahead may not be ideal, but the valuation is hard to pass up, at 14.3 times trailing earnings. You're getting a huge 4.9% yield that's poised to grow and help investors combat inflation. The stock is in a bear market now, but could bounce in a hurry once the risk-off trade increases further.

The bottom line

Algonquin is out of favour for now, but as the value trade shines through, I believe the stock has a risk/reward that's too good to pass up going into March.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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. jguest
2. joefrenette

Category

1. Dividend Stocks
2. Investing

Date

2025/07/04

Date Created

2022/02/21

Author

joefrenette

default watermark

default watermark