3 Undervalued TSX Dividend Stocks to Buy in March 2022

Description

The recent market selloff in **TSX** stocks is creating some fantastic buying opportunities for patient, long-term investors. By investors, I mean people who can buy a stock in a great business and hold it like an owner.

The stock market goes up and down, often without rhyme or reason. Yet strong companies consistently produce great products/services that deliver great earnings and, in time, great returns (dividends and capital gains) for investors.

That's a lot of "great!" The point is, it pays to be patient. Top-quality companies can generally compound returns better than you can. Buying and holding quality dividend-paying business over the long run helps ensure you don't miss out on the compounding effect.

Are you looking for solid dividend stocks that trade at affordable prices? Here are three to check out for March.

A top TSX renewable stock

When times are volatile, it never hurts having some exposure to safe dividend-paying stocks. If the market dips, you still collect a cash return, which can offset any temporary capital losses. One TSX stock that looks like a fair value is **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). It is one of the global leaders in renewable power operations and development.

BEP operates over 21 gigawatts (GW) of renewable power assets worldwide. It has three times that amount in development or planning stages. Given its scale, expertise, and strong balance sheet, Brookfield is a premium decarbonization partner for governments and corporations. Consequently, it should have many years of strong growth ahead.

This TSX stock is down 23% over the past year. With a 3.6% dividend yield today, it is starting to present an attractive entry point.

A top real estate stock

Since the pandemic, industrial real estate stocks have been booming. Trends in e-commerce, just-in-case inventory, and manufacturing on-shoring are translating to strong industrial real estate demand. That is very favourable for a stock like **Granite REIT** (TSX:GRT.UN). Granite owns large scale logistics, warehousing, and manufacturing properties across Canada, the United States, and Europe.

Granite has one of the best balance sheets amongst its Canadian real estate stock peers. That has afforded it a very low cost of capital, which it has been deploying into accretive developments and acquisitions.

Despite its quality assets and stable growth potential, it trades at a material discount to American and European peers. Its stock is down 10% year to date. With a 3.3% dividend yield and a history of dividend growth, this is one of my favourite long-term Canadian dividend stocks.

A large-cap TSX energy stock

The last undervalued dividend stock to consider is **Suncor Energy** (TSX:SU)(NYSE:SU). This Canadian energy stock has been plagued by operational issues for the past few years. This has caused the stock to significantly underperform its integrated large-cap energy peers.

If Suncor management can right size the consistency of its energy production, the stock could be set for a rally. Today, this TSX stock trades with a forward price-to-earnings ratio of only nine. Considering oil has been trading consistently over US$80 per barrel (and now over US$90), Suncor should still yield a massive amount of free cash flow.

It will invest this in share buybacks, debt reduction, and dividend increases. Today, it still pays an attractive 4.5% dividend, so shareholders are well rewarded to wait for this company’s turnaround.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)

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