Buy the Dip on These Oversold Dividend Stocks

Description

The **TSX** continues to climb up and fall down day to day. One day we're seeing losses due to inflation or the Ukraine crisis. The next we're seeing growth thanks to an increase in jobs. So it's hard to know what to think. But one thing remains certain, dividend stocks are a great way to survive this fluctuating marketplace.

With that in mind, today I'm going to look at three dividend stocks that are an absolute steal. Each trades within oversold territory at the time of writing. Furthermore, each offers a solid long-term growth strategy, and pays you in passive income for your time. So let's get started.

Magna International

I'm actually surprised **Magna International** (TSX:MG)(NYSE:MGA) hasn't started climbing back up yet. But it all comes down to the company's struggle with supply chain disruptions. The car manufacturer continues to have contracts with some of the biggest names in the car industry. And with more and more moving to electric, this provides it with a solid long-term growth strategy.

But right now, supply-chain issues have sent shares to 52-week lows. Shares are down 40% from 52-week highs, and it trades at a relative strength index (RSI) of 26, *well* within oversold territory. The company's target price remains at $119 as of writing, at it trades at a valuable 11.79 times earnings. You can pick this one up among dividend stocks with a dividend of 3.14% for an absolute steal.

goeasy

Goeasy (TSX:GSY) is another solid company investors should consider, and yet it remains in oversold territory as well. The loan provider has a long-term growth strategy that analysts remain strongly behind, with a compound annual growth rate (CAGR) of 20% for its bottom line over the next few years.

While interest rates rising had investors worried, goeasy management believes that it would have to reach 2% for the company to feel those raises at all. Furthermore, it's identified cost savings to allow the company to continue growing at these strong rates. So this is a perfect long-term hold among dividend stocks. Yet it trades at 8.77 times earnings, and an RSI of 32%. All while providing a target price of $228, 78% higher than where it is today. And of course a dividend at 2.85%.

Martinrea

Finally, **Martinrea International** (TSX:MRE) is another of the dividend stocks long-term investors should consider right now. The company's share price has been slashed almost in half, with supply-chain disruptions also hurting the company's bottom line. Earnings have come below estimates for the last few quarters, and it remains in a similar position to Magna among dividend stocks.

The biggest problem of course is the semiconductor shortage. But when that's solved, Martinrea will be able to ramp up production once more. The company's focus on making vehicles lighter and more fuel-efficient is exactly what the future of the auto industry needs. Therefore, investors can get a steal on this company trade at an RSI of about 31 as of writing. All while collecting a dividend of 2.49% right now, and a potential upside of 75%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:MG (Magna International Inc.)
4. TSX:MRE (Martinrea International Inc.)

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Date
2025/08/21
Date Created
2022/03/13
Author
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