2 Outrageously Cheap TSX Dividend Stocks to Buy

Description

The TSX has already been off to a shaky start to 2022. At writing, the **S&P/TSX Composite Index** is up by 1.63% year to date. It arrived at its current levels came with relatively rapid upswings and downturns since the start of the year. The Canadian benchmark index is up by just over 4% from its February 23rd levels.

Many high-quality TSX stocks have recovered to better valuations, while others still look attractive. Growth stocks might not make for ideal investments for risk-averse investors amid the inflationary environment, interest rate hikes, and rising geopolitical concerns. Dividend stocks that can pay regular shareholder dividends could be a great way to offset the volatility in the stock market.

But what if you invest in dividend stocks that can also offer shareholder returns through capital gains? Today, I will discuss two undervalued stocks that also offer reliable dividend payouts. You can consider investing in these companies to generate returns through dividend payouts and capital gains in the long term.

Brookfield Renewable Partners

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP) is a $14.30 billion market capitalization giant that owns and operates a globally diversified portfolio of renewable energy infrastructure. Its portfolio includes facilities that generate green energy through various methods, including hydro, solar, and wind-power facilities. At writing, Brookfield Renewable stock trades for $52.28 per share, and it boasts a 3.11% dividend yield.

At its current levels, Brookfield Renewable stock is up by 17.25% year to date and by 1.53% in the last 12 months. Considering it an outrageously cheap stock might seem like a stretch, but there is a case for it. The global renewable energy demand will only increase in the coming years.

Brookfield Renewable Partners has an internationally diversified portfolio of operational renewable energy assets that generate 21,000 MW of power. It has projects with a 15,000 MW capacity under construction and 60,000 MW of projects in its development pipelines. The company has a very long growth runway ahead of it, and investing in its shares today could help you capture some of that growth.

Parkland

Parkland (TSX:PKI) is a $5.03 billion market capitalization convenience store operator and an independent fuel retailing company. Headquartered in Calgary, it is definitely not in the same category as Brookfield Renewable stock, but it is very cheap. At writing, Parkland stock trades for $32.01 per share, and it boasts a 3.79% trailing 12-month dividend yield. The convenience store stock is down by 7.86% year to date and 18.62% in the last 12 months.

Despite its consistent decline, it boasts a robust business model. The company is comparable to **Alimentation Couche-Tard**, but it could be considered a smaller version of it. Parkland has been busy acquiring other small convenience stores to build its portfolio. It also boasts a rapidly expanding EV charging station network.

A risk that comes with investing in its shares is its high debt. Provided that it can rely on its organic growth and acquisitions to help it offset the debt in the coming months, it could be an excellent long-term investment for your portfolio.

Foolish takeaway

Dividend investing is a good way to secure an income stream that can offset some of the losses that can come with market volatility. Scooping up shares of income-generating assets with the potential to grow in value over the coming years can help you enjoy even greater shareholder returns through capital gains.

Brookfield Renewable Partners stock and Parkland stock are two assets that you could consider adding to your investment portfolio for this purpose.

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