3 Incredibly Cheap TSX Dividend Stocks to Buy Today

Description

Canadian investors have been rushing to **TSX** dividend stocks for safety in 2022. With so many economic and geopolitical concerns in the world, it makes sense that dividend stocks have become popular.

Unfortunately, many dividend stocks are now becoming expensive. Dividend yields have gone down as stock prices have risen. Consequently, investors looking for dividends and reasonable growth now need to do some deep digging to find attractive value opportunities. If you are looking for some underloved, undervalued dividend stocks, here are three that still look very cheap today.

An energy stock with an outsized dividend

Suncor Energy (TSX:SU)(NYSE:SU) stock has gained 34.5% this year. Yet it has still underperformed the **S&P/TSX Capped Energy Index** by more than 10%. To date, this is somewhat fair. Suncor has had several operational issues, especially with its oil sands mining projects.

Suncor recognizes this, and it has added new executives to improve these areas. With elevated oil prices, this stock continues to generate a huge amount of excess discretionary cash. In fact, it could generate as much as $10 billion this year. All that cash can be used to reduce debt, buy back stock, and raise/pay dividends.

Today, Suncor stock pays an attractive 4% dividend yield. It trades for a cheap six times earnings. Why not collect an outsized dividend while this value-priced company turns its operations around?

A top real estate stock with a growing dividend

Real estate is a great asset to hold when inflation is soaring. Rental demand increases, rents rise, and so do property values. I particularly like apartment real estate investment trusts (REITs) like **Minto Apartment REIT** (TSX:MI.UN). Apartments have short-duration leases, so landlords can quickly raise rents when market dynamics allow.

Minto has over 7,000 apartment units in some of Canada's fastest-growing cities. These include Ottawa, Toronto, Montreal, and Calgary. These apartments are exceptionally well located to capture high single-digit rental rate growth. While Minto has been growing by acquisition, it also has a large development pipeline across Canada.

Combine these factors, and Minto is set to experience peer-leading cash flow-per-unit growth. It only pays a 2.35% distribution yield today, but it has grown its distribution every year since its initial public offering in 2017. Despite its quality, this dividend stock trades at a huge discount to its asset value. It is is one of the cheapest apartment REITs in Canada.

An undervalued financial stock

Like Minto, **goeasy** (TSX:GSY) stock does not pay the highest dividend yield. This stock pays a 2.89% dividend yield. Since 2016, it has raised its dividend on average by 50% a year! In 2021, it effectively doubled its dividend payout!

goeasy is one of Canada's largest providers of non-prime loans and leasing products. While non-prime loans are riskier, they earn elevated interest rates and higher margin returns. goeasy offsets these risks by diversifying its lending portfolio and maintaining a quality balance sheet.

Over the past five years, this dividend stock has grown revenues and earnings per share annually by 18.9% and 34%, respectively. The stock has risen 256% over that time frame. Despite such growth, this stock is cheap at only 10.5 times earnings. For a combination of compounding growth and a rising dividends, goeasy is a great stock to buy for the long run.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. NYSE:SU (Suncor Energy Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:MI.UN (Minto Apartment Real Estate Investment Trust)
4. TSX:SU (Suncor Energy Inc.)

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