Passive-Income Investors: 2 Top Dividend Stocks That Are on Sale

Description

I've been harping on in recent weeks about the benefits of investing in dividend stocks in a volatile market. With no shortage of uncertainties in the economy right now, I'm expecting a bumpy ride for the foreseeable future. Passive income generated through dividend stocks could help offset some of the market's volatility.

One problem is that many Canadian dividend stocks are trading near all-time highs today. In comparison, there are loads of top growth stocks, particularly in the tech sector, that are trading well below 52-week highs. As a long-term growth investor, it's hard for me to ignore some of these rare buying opportunities.

Fortunately, for passive-income investors, there are still a few deals to be had. I've reviewed two dividend stocks that are trading at bargain prices right now. I wouldn't expect that to last much longer, though. So, if you're looking to earn a little extra income on the side, here are two perfect dividend stocks to do exactly that.

Dividend stock #1: Bank of Nova Scotia

Passive-income investors don't need to look much further than the Canadian banks. The Big Five all pay top yields and also own some of the longest payout streaks on the **TSX**. When it comes to dividend stocks, there's no bad choice within the Canadian banks.

For two reasons, my top bank pick right now is **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS). The first reason is the dividend itself. Scotiabank's 4.6% dividend yield ranks it as the highest among the Big Five. On top of that, the bank has been paying a dividend for close to 200 consecutive years.

Good luck trying to find another dividend stock yielding upwards of 4% with a payout streak as long as that.

The second reason this $100 billion bank is on my watch list is for its international exposure. Scotiabank has already established itself as a banking leader in Latin America, where it only continues to strengthen its position. The bank's Latin American expansion is poised to be a major long-term growth opportunity.

What's not to like about a dependable high-yielding dividend stock that also offers some international exposure?

Dividend stock #2: Northland Power

The second dividend-paying company on my watch list is a lower-yielding renewable energy stock.

At today's stock price, **Northland Power's** (TSX:NPI) annual dividend of $1.20 per share yields 3%.

If a high yield is all you're after, there are better options than Northland Power. But that doesn't mean the company shouldn't be on any passive-income investors' radars.

The reason why I've got my eye on this renewable energy company is for the stock's long-term growth potential.

Excluding dividends, shares are up close to 70% over the past five years. In comparison, the **S&P/TSX Composite Index** has only returned 40%.

And now's the time to be investing in renewable energy, with many leaders across the sector trading at discounts today. Shares of Northland Power are down 20% from all-time highs that were set in early 2021.

Passive-income investors that are looking to add some growth to their portfolio would be wise to load up on this discounted energy stock.

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3. TSX:NPI (Northland Power Inc.)

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