2 Cheap TSX Dividend Stocks I'd Buy Before April Ends

Description

The stock market roller-coaster ride continues in 2022, as the TSX Composite Index has seen a sharp decline of about 4% so far in April after touching its fresh intraday record high earlier this month. As a result, the stock market's high volatility remains worrisome for investors across the world due mainly to the growing fears about an economic slowdown.

In such a market environment, it could be wise for investors to consider adding some fundamentally strong, cheap stocks to their portfolio that also pay attractive dividends. Let's look at two such dividend stocks TSX investors could consider buying after their recent dips.

Whitecap Resources stock

After facing several difficulties in 2020, the energy sector staged a spectacular recovery last year, as the demand for energy products grew rapidly. Consistently growing demand and supply concerns due to the recent Russian invasion of Ukraine have triggered a sharp rally in oil prices in 2022.

While crude oil prices have eased a bit in the last few sessions, they still continue to trade with solid double-digit gains on a year-to-date basis. That's why you may want to consider adding fundamentally strong energy stock to your portfolio right now, as a strong price environment could help Canadian oil companies like **Whitecap Resources** (TSX:WCP) boost their margins significantly. After delivering solid 54% positive returns to investors, this TSX dividend stock has already risen by 33% this year.

In 2021, Whitecap's total revenue jumped to $2.53 billion from around $923 million the previous year. Nearly 80% of its total revenue last year came from its crude oil segment. Its record annual production levels and strong fund flows in 2021 are some of the reasons why Whitecap's management recently decided to increase dividends by 33% to around $0.36 per share annually. As a result, it currently has a dividend yield of around 3.4%.

Given all these positive fundamental factors, I find this cheap TSX dividend stock attractive — especially after it has fallen by nearly 11% in the last three sessions.

Paramount Resources stock

The second cheap dividend stock on my list, **Paramount Resources** (TSX:POU), is also a Calgary-based energy company. It currently has a dividend yield of close to 3%, as its stock trades at $28.14 per share with 15% year-to-date gains.

In 2021, Paramount Resources registered a solid 409% jump in its total revenue to around $1.26 billion, as it managed to achieve its annual sales volume guidance. In early 2022, two unplanned outages at its third-party-operated Wapiti natural gas-processing plant affected its production. Nonetheless, the company anticipates offsetting these unplanned outages with the help of well outperformance, which should help it increase its annual production this year.

Overall, a forecasted increase in Paramount's annual production and its focus on debt reduction and free cash flow generation should keep this dividend stock soaring in the coming quarters. Despite these positive factors, Paramount Resources stock has seen about 13% value erosion in the last five sessions, making it look even more attractive to buy now for the long term.

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