2 Cheap Dividend Stocks to Boost Your Passive Income

Description

The Canadian stock market has had no shortage of volatility in 2022. Investors have had to deal with a handful of storylines over the past few months that have created lots of uncertainty in the market.

Unfortunately, I'm not banking on the market's volatility slowing down just yet. Rising inflation, supply chain issues, and geopolitical tensions are just three examples of causes for the market's recent volatility. And in all three of those examples, the end may be further than many investors are hoping.

Building a stream of passive income

I'd recommend to anyone who's wary about upcoming volatility to think about building an additional source of passive income. And dividend stocks are an excellent way to do exactly that.

Canadian investors can have their pick when it comes to choosing dividend stocks. Whether you're looking for a frequent payout or a high yield, there's at least one dividend-paying company that's right for your portfolio.

With the recent selloff in the Canadian stock market, there are plenty of top dividend stocks trading at attractive prices.

I've reviewed two dividend-paying companies that passive-income investors will want to have on their watch lists right now. Both companies are currently trading at a discount, so investors will want to act fast.

Dividend stock #1: Sun Life

There's a lot to like about this insurance stock. In addition to paying a 4% dividend yield, **Sun Life** (TSX:SLF)(NYSE:SLF) can also provide a portfolio with much-needed defensiveness.

Although the insurance industry may not be the most exciting to invest in it, it is dependable. I'm not expecting the demand for insurance to begin declining anytime soon, which is why it's a dependable place to be investing.

Any growth investor looking to balance out some high-risk growth stocks would be wise to consider investing in a dependable company like Sun Life.

Even value investors will want to have their eyes on this dividend stock. Sun Life is trading close to 15% below 52-week highs and is valued at a very attractive price-to-earnings (P/E) ratio below 10.

Dividend stock #2: Toronto-Dominion Bank

Canadian passive-income investors don't need to look much further than the major banks. The Big Five all pay top yields today and own some of the longest dividend-payout streaks on the **TSX**.

At a market cap just shy of $170 billion, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is the second-largest of the major Canadian banks. It's right on the heels of **RBC** for the number one position. And with shares of TD Bank outpacing RBC in recent years, it may not be long before TD is the largest Canadian bank.

At today's stock price, TD Bank's dividend yields just shy of 4%. Amongst the Big Five, it's not the highest yield. But a top yield isn't the only reason a passive-income investor should have this bank on their radar.

TD Bank's growth opportunity in the U.S. is why I'm betting the bank will soon be the largest in the country. Already with a third of its net income being driven from U.S. operations, TD Bank has established a strong American presence.

Alongside a respectable dividend, TD Bank can provide passive-income investors with market-beating growth potential over the long term in addition to exposure to the U.S. economy.

Not to mention that the bank is trading more than 10% below all-time highs and valued at a P/E ratio not much higher than Sun Life.

What's there not to like about this bank stock?

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. ndobroruka

Category

1. Dividend Stocks
2. Investing

Date
2025/09/10
Date Created
2022/05/09
Author
ndobroruka