



WOW! This Canadian Dividend Stock Is Incredibly Cheap

Description

Over the past few trading days, stocks have started to bottom and rebound, as investors look to take advantage of all the bargains this market is offering. From higher-risk Canadian tech stocks to lower-risk dividend stocks, there are tonnes of opportunities for investors to buy now while the entire market is cheap.

Of course, predicting whether this is actually the bottom or just a temporary pause in a more significant selloff is next to impossible. While there is still risk in markets, what we do know is that if you find high-quality companies and buy them when they're [undervalued](#), you can have confidence in owning them no matter what the market does.

It's better to buy a little early at a price that's still reasonable and undervalued, than it is to miss the opportunity altogether, worrying that stocks may continue to sell off.

If you're looking to find cheap Canadian dividend stocks in this environment, here is one of the best opportunities for investors to take advantage of.

A top Canadian retail stock that continues to impress

One of the best Canadian dividend stocks to buy, especially while it's cheap, is **Canadian Tire** ([TSX:CTC.A](#)), the well-known retail company.

Canadian Tire is a stock that, despite being impacted by shutdowns, performed exceptionally well through the pandemic. Much of that was due to the increase in demand for its goods, while the pandemic limited consumers' discretionary spending on other categories such as travel.

As the pandemic faded, many thought that Canadian Tire would see a slowdown in the growth of its sales. Quite the opposite has happened, though, and the Canadian dividend stock continues to prove that it can operate in any economic environment.

In its recent [earnings report](#), saying that the stock smashed earnings might be an understatement.

Canadian Tire reported earnings per share of \$3.06 — well above the consensus estimate of \$1.70. It also surprisingly increased its dividend by a whopping 25%.

So, with Canadian Tire now paying out \$6.50 a year, the stock offers investors a [yield](#) of roughly 3.6% and has more than doubled its dividend in just the last five years.

Canadian Tire is one of the cheapest dividend stocks to buy now

With trailing 12-month earnings per share (EPS) of \$18.97, Canadian Tire is well on its way to its target of \$26 in EPS by 2025. In addition, trading at around \$180 a share today, the stock has a price-to-earnings ratio that's below 10 times.

So, when you consider the dividend yield that Canadian Tire offers, the growth potential it has and the fact that it's continued to show it can perform well in any environment, it's certainly a top-notch business you can have confidence buying and hold for the long haul.

Plus, the fact that it trades below 10 times earnings makes it incredibly cheap and one of the best Canadian dividend stocks to buy now.

Therefore, while it's not out of the question that Canadian Tire could fall further in price if the market selloff were to worsen in the coming weeks, the value that the stock offers now is also an opportunity that you don't want to miss.

If you believe Canadian Tire to be a top-notch business, and it makes sense in your portfolio, you may want to strongly consider pulling the trigger on this top dividend-growth stock, especially while it's still this undervalued.

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