3 Undervalued Dividend Stocks You Can Buy Right Now

Description

Equity markets have taken a hit globally, as major benchmark indexes are trading in the red in 2022. The sky-high inflation rates have been one of the biggest factors behind the extended market correction, along with the aggressive monetary tightening policies. The benchmark TSX index is down 3.9% year to date and has fallen 8% from all-time highs.

However, this market correction comes with a silver lining. Amid the steep selloff, renowned blue-chip and fundamentally sound companies are trading at bargain valuations. Many of these stocks also pay hefty dividends to shareholders.

Given the volatile market conditions, investing in dividend-paying undervalued stocks allows investors to reap dual benefits: stable periodic income in the form of dividends and capital gains when the stocks regain momentum.

Corus Entertainment

Corus Entertainment (TSX:CRJ.B) is one of the largest mass media and entertainment companies in Canada. It operates more than 33 television networks, 15 television stations, and 39 radio stations. Further, the platform is set to launch 24 original series and has greenlit/renewed 45 shows in total. With a diversified content pipeline, CJR is well positioned to become Canada's most influential global entertainment company.

Despite the recent macroeconomic headwinds, Corus managed to deliver strong subscriber revenue and strengthened its capital structure. The company has a strong cash position, with its free cash flow increasing 11% year over year to $168.40 million for six months ended February 28, 2022.

CJR is currently trading just 5.25 times its forward non-GAAP earnings and 0.53 times its forward sales. Furthermore, Corus pays $0.19 as dividends annually, yielding 5.47% on the current price.

The stock is expected to gain more than 73% in the next 12 months, making it a bargain investment at the current valuations.

Toronto-Dominion Bank

Valued at $165.27 billion by market cap, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is the second-largest Canadian bank. It has been benefitting from rising benchmark interest rates, which should positively impact profit margins.

TD is one of the only two Canadian banks on the global systemically important banks list and is deemed “too big to fail.”

TD is currently trading just 11.05 times its forward earnings. In addition, the stock is currently trading 3.82 times its forward sales. Moreover, TD’s forward PEG multiple of 1.28 makes it a relatively undervalued stock.

The stock has a consensus price target of $78.15, indicating an 8.98% potential upside. Apart from capital gains, investors can benefit from the high dividend yield as well. TD pays $2.78 in dividends annually, translating to an impressive 3.88% yield.

Enbridge Inc.

Enbridge (TSX:ENB)(NYSE:ENB) is a Calgary-based energy infrastructure company. In a race to go green, countries have been increasingly replacing crude oil with natural gas, and ENB has been expanding its clean energy operations to keep up with the changing trends.

The company recently partnered with Venture Global on their second LNG project, aiming to develop a pipeline to produce 1.5 billion cubic feet of natural gas per day. Enbridge also entered an agreement with Humble Midstream last month to jointly develop low-carbon hydrogen and ammonia.

ENB pays $2.68 as dividends annually to shareholders. This translates to a tasty yield of 5.78% yield. In addition, the stock’s four-year average dividend yield stands at 6.53%. ENB is currently trading just 19.32 times its forward earnings, which is reasonable. Also, the stock is currently trading just 2.29 times its forward sales. Analysts expect the stock to gain 9% within the next 12 months.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:ENB (Enbridge Inc.)
5. 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. araghunath
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/09/04
Date Created
2022/06/13
Author
araghunath