



## Value Investors: 2 Cheap TSX Dividend Stocks to Buy on the Dip

### Description

The latest [market correction](#) gives value investors a chance to buy top TSX dividend stocks offering above-average yields at cheap prices.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) operates world-class wireless and wireline networks across Canada that provide commercial and household clients with mobile, internet, TV, and security services. The company also has a media group that is home to a television network, specialty channels, radio stations, and part ownership of sports teams.

A major service outage at **Rogers** and uncertainty around the outcome of a planned merger between Rogers and **Shaw** should benefit BCE stock in the near term, as investors seek a stable defensive communications pick for their TFSA and RRSP portfolios.

BCE is making the investments needed to protect its competitive edge. The company plans to directly connect another 900,000 customer buildings with fibre optic lines in 2022. In addition, BCE continues to expand its [5G](#) mobile network after spending \$2 billion on new 3,500 MHz spectrum in 2021.

BCE stock is down to \$64 at the time of writing from \$74 in April. The shares now look [undervalued](#) and offer investors a 5.75% dividend yield.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) raised its dividend by 11% late last year and then gave investors another 3% increase when the bank reported fiscal Q2 2022 results. This suggests the management team is comfortable with the revenue and profits outlook, despite the threat of a recession caused by high inflation and Bank of Canada rate hikes designed to get inflation under control.

Bank of Nova Scotia made it through the pandemic in good shape and has excess capital it can use to ride out additional turbulence. The company is using part of the cash to buy back more stock than anticipated, raising the number of shares that can be repurchased under the current plan by 50% to 36 million. Bank of Nova Scotia also spent some of the war chest to increase its stake in Scotiabank Chile.

The international business continues to recover from the pandemic hit. Bank of Nova Scotia has large operations in Chile, Mexico, Peru, and Colombia. The four countries make up the core of the Pacific Alliance trade bloc that allows the free movement of goods, capital, and labour among the members. Collectively, the four markets are home to more than 230 million people. As the middle class expands, Bank of Nova Scotia should benefit from rising demand for loans and investment products.

Bank of Nova Scotia trades for less than \$72 per shares at the time of writing and offers investors a 5.75% dividend yield. The stock was as high as \$95 earlier this year, so there is decent upside potential when the banking sector rebounds.

## The bottom line on top value stocks to buy now

BCE and Bank Nova Scotia look cheap today and offer above-average dividend yields. If you have some cash to put to work in a TFSA or RRSP focused on total returns, these value stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BCE (BCE Inc.)
4. TSX:BNS (Bank Of Nova Scotia)

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