



3 Canadian Dividend Stocks That Are Dirt Cheap in August

Description

Despite all the volatility in the market that we've seen in 2022, there is one good thing to note. That volatility has made some of the best long-term Canadian dividend stocks dirt-cheap options for any portfolio.

Here are some great, discounted options that you can pick up in August.

Starting with something defensive

The first dirt-cheap Canadian dividend stock to consider buying this month is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Apart from operating one of the largest utilities in North America, Fortis is also one of the most defensive picks on the market.

That defensive appeal comes from the lucrative business model that utilities adhere to, which generates a recurring stable revenue stream for the company. That revenue stream eventually makes its way back to investors in the form of a juicy quarterly dividend.

That dividend currently boasts a yield of 3.60%. If that wasn't enough, prospective investors should note that Fortis has provided annual upticks to that dividend without fail for an insane 48 consecutive years.

As of the time of writing, Fortis trades at a price-to earnings (P/E) multiple of 22.55. The stock is also down over 8% over the trailing three-month period, making it a superb buy right now.

Investing for the future starts now

It's hard to talk about great Canadian dividend stocks this month without mentioning at least one of [Canada's big banks](#). And that bank to consider buying is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)).

CIBC isn't the largest of the big banks, nor has it made major acquisition news, like its larger peers. What CIBC does offer investors is a mature business that generates cash, has solid growth, and pays out a handsome dividend.

Speaking of dividends, CIBC's quarterly dividend pays out a juicy 4.98% yield. This makes it one of the better-paying options among its big bank peers.

Like most stocks on the market, CIBC has seen its share price drop in 2022. Year to date, the stock is trading down over 13%, which is an insane discount for a top Canadian dividend stock. The P/E of the bank is currently just 9.29, which furthers the case to buy this month.

Oh, and let's not forget that CIBC also did a stock split earlier this year. This significantly lowers the cost of entry for new investors, making it a great option to buy now and hold for decades.

Buy renewable today and earn a handsome income tomorrow

[Renewable energy](#) is one of the most lucrative areas of investment right now. Apart from the growing demand for clean energy, traditional utilities are being pressed to transition over to renewables at great expense.

This leaves already renewable companies like **TransAlta Renewables** ([TSX:RNW](#)) at a significant advantage. TransAlta's portfolio comprises over 40 facilities located across Canada, the U.S., and Australia.

Like its traditional fossil fuel-burning peers, TransAlta adheres to the same stable utility business model. In fact, many of TransAlta's facilities have regulated contracts spanning a decade or more into the future.

In other words, TransAlta boasts a solid, defensive revenue stream, which allows it to pay out a handsome dividend. Income-seeking investors will not only appreciate the juicy 5.38% yield on offer, but also the fact that TransAlta pays out on a monthly cadence.

Over the trailing six-month period, TransAlta is trading down over 4%, which is incredible considering the long-term potential of the stock.

CATEGORY

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2. NYSE:FTS (Fortis Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:FTS (Fortis Inc.)
5. TSX:RNW (TransAlta Renewables)

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