3 Remarkably Cheap Canadian Stocks to Buy for Passive Income

Description

A bear market in Canadian stocks is the perfect time to load up on passive income. If you have got cash to invest, this might be a gift. Many top stocks for passive income are cheap, and they are trading with larger-than-average dividend yields. If you are looking to increase your passive income, here are three remarkably cheap Canadian stocks to consider right now.

CNQ: Rising passive income for years

For an oil and gas producer, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) has a remarkable dividend history. It has grown its annual base dividend for 22 consecutive years. For context, its current quarterly dividend of $0.75 per share is 59 times larger than it was in 2001!

Given the high price of oil in the past two years, Canadian Natural has been enjoying a surge in excess cash. This company has high-quality, long-life assets that cost very little to produce energy. It can sustain operations and pay its dividend for less than US$30 per barrel.

Last year, CNQ raised its dividend twice (a total 38% increase). This year, it increased its dividend 28%, and it paid a special $1.50 dividend as well! Right now, this stock yields 4.24%. Yet this passive-income stock only trades with a price-to-earnings (P/E) ratio of seven! If you want relatively low-risk exposure to Canadian energy, this is the stock to hold.

GRT.UN: Incredibly cheap and nice passive income

Granite Real Estate Investment Trust (TSX:GRT.UN) is an incredibly cheap real estate stock. Its stock is down 29% this year. Yet if you saw its 2022 results, you would be confounded. To date, it has grown adjusted funds from operation per unit by over 8%. It expects to increase its rents on new leases by 15-20%. Clearly, industrial demand remains very intact.

Several analysts believe its stock decline is due to worries about its exposure to an economically challenged Europe. New investors can buy its European property portfolio for almost free at today's stock price. This stock hasn't been this cheap since the 2020 market crash.

Today, this passive-income stock earns a 4.15% distribution yield. Granite has raised its dividend every year for the past 10 years. If you have patience, there could be considerable upside for Granite stock when the global economy stabilizes.

EQB: Growth, income, and value

Have you ever wondered what the best-performing Canadian bank stock over the past decade is? It isn't one of the "Big Six" that we are all familiar with. It is in fact, **EQB** (TSX:EQB). Over the past decade, it has earned a near 300% total return. That is versus its closest peer, **National Bank**, at 275%.

EQB coins itself the "challenger bank," because of its largely online, no store-front banking platform. Consequently, it earns an elevated return-on-equity and can efficiently produce higher-than-average earnings. This passive-income stock is down 28% in 2022. It only trades with a price-to-earnings ratio of 6.2 times. That is significantly below its larger peers (around 10 times).

EQB stock earns a 2.41% dividend. It has grown its dividend rate by a 16.6% compounded annual rate for a decade. For growth, income, and value, this passive-income stock is a remarkable bargain today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:EQB (EQB)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)

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