



## 2 Oversold TSX Dividend Stocks to Buy for Passive Income

### Description

If you're looking for a deal, there are plenty of options on the **TSX** today. But these [dividend stocks](#) are certainly the ones I'd consider first.

Why? Because each these two dividend stocks currently trade well within oversold territory. For a refresher, oversold territory is when a stock's relative strength index (RSI) falls under 30. On the flip side, oversold is over 70. Both of these dividend stocks that I'll be talking about today fall well below that 30 RSI number on the TSX today.

### Corus Entertainment

**Corus Entertainment** ([TSX:CJR.B](#)) currently holds an oversold score at 19.91 RSI. The stock trades at just \$2.83 with a [price-to-earnings ratio](#) of 4.10 — well within value territory. Plus, it now offers a dividend yield at 6.43%.

The entertainment company hasn't done well during the last while, with shares down 38% year to date. Those shares plunged by 28% in the last month alone. This comes in large part from inflationary pressure and supply-chain issues continuing to weigh on the stock in the near term.

But long-term investors could do quite well. In the near term, shares could practically double in the next year alone if analysts are to be believed. So, you can lock in a super-high dividend yield and see your shares rise at a phenomenal rate for some stellar passive income.

A \$5,000 investment in Corus stock right now would bring in \$424 per year in passive income among dividend stocks.

### Dream Unlimited

Another oversold stock I'd consider is **Dream Unlimited** ([TSX:DRM](#)). Dream currently trades with an RSI at 22.4 with its price-to-earnings ratio sitting at 4.97. All this puts it in value territory. So, you can

lock in a dividend yield of 1.46% on the TSX today.

Granted, that may not be that high, but you have a lot of growth coming from this company as well. Dream stock remains a strong buy recommendation by analysts covering the stock, with the company continuing to outpace earnings estimates. Right now is a hard time for the real estate investor of commercial and residential properties. But that won't always be the case.

As inflation and interest rates get under control, Dream stock could be one of the best deals on the TSX today. In fact, analysts predict it could more than double in the next year alone once current market conditions subside.

Meanwhile, shares are down 32% year to date and 19% in the last month, providing a great time to jump in before a market recovery. A \$5,000 investment in Dream stock would currently bring in passive income of \$76 per year among your dividend stocks.

## Bottom line

Finding oversold dividend stocks should never be the only strategy you take. But it can certainly provide you with an insight into the best deals out there. These two dividend stocks are going through hard times but have years of strength behind them to see them through this turbulent period.

Once the market recovers, it's likely Corus stock and Dream stock will be two strong performers in the years to come. That means you're getting a deal today not just on share price but on passive-income performance for years in the future.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:DRM (Dream Unlimited)

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