Beginner Investors: 3 Cheap Dividend Stocks Under $30 Today

Description

When you first start investing, it can be challenging to build an affordable, diversified portfolio of **TSX** dividend stocks. Most investors are encouraged to have between eight and 10 stocks at a minimum in their portfolios. Yet with 83% of the **TSX 60 Index** of stocks trading over $30 per share, it can be hard to build new positions with reasonable liquidity.

Fortunately, there are still many dividend-paying stocks that are cheap on a value and stock price basis. If you are looking to build an affordably diverse portfolio, here are three cheap stocks that trade below $30 per share right now.

TELUS

TELUS (TSX:T)(NYSE:TU) is a great dividend stock for any new investor. It trades for $29.30 as of writing. TELUS provides a great combination of defence, income, and growth. As one of Canada's largest providers of internet and cellular services, it generally earns predictable and contracted streams of cash flow.

The company has been a sector leader in customer additions and revenue/earnings growth for several years. In the second quarter, TELUS's net income rose 45% to $498 million, and net income per share rose 36% to $0.34.

In addition to its telecom business, it is building out digital verticals in virtual health, agriculture, and customer experience. These could be big growth drivers in the coming years.

Earlier in the year, TELUS raised its quarterly dividend 7%. It has grown its dividend annually by around 7% for more than 10 years. Today, this stock yields a 4.5% dividend. After a 12% decline in the past six months, this stock looks like an attractive buy today.

Algonquin Power

Algonquin Power and Utilities (TSX:AQN)(NYSE:AQN) is another defensive dividend stock for any portfolio. After a 7% decline over the past six months, it trades for $17.90 per share today. 70% of Algonquin's operations come from regulated gas, power, and water utilities. This provides a very stable baseline of revenues and cash flows.

In turn, it uses the excess cash flows to invest into renewable power projects across North America. Currently, it has 4,200 megawatts of power in operation. However, Algonquin has a development pipeline that could nearly double its green power capacity.

In the second quarter, it grew adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) by 18% to $289 million. Likewise, adjusted net earnings per share rose 7% to $0.16. Right now, Algonquin stock earns a very nice 5.1% dividend yield. It has a long history growing its dividend annually by the high single digits. One can anticipate that this is likely to continue in the years ahead.

Dream Industrial REIT

Dream Industrial Real Estate Investment Trust (TSX:DIR.UN) is down 30% this year, and it looks like a serious bargain at $12 per share. It owns multi-tenanted distribution and warehousing properties across Canada and Europe. As of writing, this dividend stock is trading at a 25% discount to its net asset value (appraised market value less debt).

Despite the decline in sentiment, Dream has been delivering robust earnings. For the first half of 2022, it has increased funds from operation per unit by 13% to $0.43. The REIT continued to lease properties at 34% premiums to prior rental rates. That kind of rental growth demonstrates very solid demand for its assets.

Right now, Dream Industrial stock has a 5.8% dividend yield. Plus, it pays its dividend monthly. For a cheap stock with a great yield and attractive growth ahead, this is perfect for new investors.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:T (TELUS)

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