



2 Dividend Stocks to Buy Now Under \$50

Description

Growing macroeconomic uncertainties have driven the Canadian stock market downward in 2022. While the **TSX Composite Index** witnessed a healthy recovery in November, it continues to trade with more than 4% year-to-date losses. While [market pullbacks](#) may look horrifying at first, they give long-term investors an opportunity to buy some [fundamentally](#) strong stocks at a discount.

In this article, I'll highlight two of the best [dividend stocks](#) you can buy in Canada right now, which are currently trading under \$50 per share.

Laurentian Bank stock

Laurentian Bank of Canada ([TSX:LB](#)) has seen about 17% value erosion in 2022 so far, as its stock trades at \$32.46 per share right now. This Canadian dividend stock currently has a [market cap](#) of \$1.5 billion and an attractive dividend yield of around 5.3%.

The Montréal-headquartered, Laurentian Bank has a well-diversified portfolio of financial services and advice-based solutions. After consistently posting impressive double-digit YoY (year-over-year) earnings growth in the previous six quarters, its adjusted earnings [fell](#) about 1% from a year ago in the July quarter to \$1.24 per share. While Laurentian Bank's net interest income continued to soar with the help of rising interest rates, factors like higher funding costs, lower mortgage pre-payment penalties, and an increase in its provision for credit losses affected its results in the latest reported quarter. On the positive side, its quarterly revenues continue to grow positively.

While ongoing tough economic conditions may continue to pressure the bank's earnings in the short term, its long-term growth outlook remains strong due mainly to its consistent focus on maintaining healthy efficiency ratio and strong financial position. Given that, the recent dip in its stock could be an opportunity to buy LB stock cheap.

Hydro One stock

Hydro One ([TSX:H](#)) is a safe Canadian company that dividend investors can consider investing in right now. Its stock currently trades at \$36.83 per share with about 11.4% gains, despite the broader market weakness. Interestingly, 2022 is the fourth consecutive positive year for Hydro One stock. At current prices, the stock offers a decent 3% dividend yield.

This Toronto-based utilities company mainly focuses on the transmission and distribution of electricity within Ontario. Based on its 2021 financial data, Hydro One generated most of its total revenue and earnings from the distribution segment, while the remaining came from electricity transmission and other business activities.

In the September quarter, Hydro One's transmission segment revenue rose by 10.8% YoY to \$562 million, helping the company post a 6.2% increase in its overall quarterly revenues. Despite a 22% drop in its assets placed in service from a year ago, the company managed to post 2% YoY growth in its adjusted earnings to \$0.51 per share with the help of its growing rate base.

While you can't expect stocks like Hydro One to double or triple your money in a short period of time, investing in such safe Canadian dividend stocks could be a wise decision, as they continue to perform well, even in difficult economic environments. In addition, Hydro One's reliable quarterly dividends could help you generate passive income.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:LB (Laurentian Bank of Canada)

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