My Take: Top 3 Dividend Stocks to Buy in January 2023

Description

The **S&P/TSX Composite Index** slipped 81 points on Thursday, January 5. Investors should still be on the hunt for opportunities in an uncertain market. Today, I want to zero in on three dividend stocks that look like solid pick ups to kick off the new year. Let's jump in.

This undervalued bank stock offers a mouth-watering yield right now

Canadian Imperial Bank of Commerce (TSX:CM) is the fifth largest of the Big Six Canadian banks. Shares of this bank stock have increased marginally to start 2023. However, the stock has plunged 27% in the year-over-year period as of close on January 5. There are few dividend stocks that offer a more attractive discount at the time of this writing.

This bank released its fourth and final batch of fiscal 2022 earnings on December 1, 2022. Revenues climbed 6% year over year to $5.38 billion. Meanwhile, adjusted net income plunged 17% to $1.30 billion, or $1.39 per diluted share. CIBC's Canadian Commercial Banking and Wealth Management segment put together the strongest performance in fiscal 2022. Its adjusted net income surged 14% from the prior year to $1.89 billion.

Shares of this dividend stock currently possess a very favourable price-to-earnings (P/E) ratio of 8.3. Meanwhile, it currently offers a quarterly distribution of $0.85 per share. That represents a tasty 6% yield.

Enbridge is still a must-own dividend stock to start the new year

Enbridge (TSX:ENB) is a Calgary-based energy infrastructure company. Shares of this energy infrastructure giant have increased 5.6% year over year as of close on January 5. This remains one of the most dependable dividend stocks on the TSX, which is why I'm targeting it in the beginning of 2023.

Investors can expect to see Enbridge's final batch of fiscal 2022 results in the first half of February. Enbridge provided financial guidance for 2023 on November 30, 2022. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This aims to give a more complete picture of profitability. Enbridge reaffirmed its adjusted EBITDA 2023 guidance between $15.9 and $16.5 billion and distributable cash flow (DCF) in the $5.25 to $5.65 range.

This company also declared its 28th consecutive annual dividend increase. It hiked its quarterly dividend by 3.2% to $0.8875, which represents a very strong 6.6% yield. Better yet, this dividend stock also possesses an attractive P/E ratio of 19.

One more dependable dividend stock I'd buy in January 2023

BCE (TSX:BCE) is the third and final dividend stock I'd look to snatch up in the new year. This Montreal-based telecommunications and media company provides wireless, wireline, Internet, and television services to Canadian customers. Shares of this dividend stock have dropped 7.9% from the previous year as of close on January 5.

This company is set to release its fourth-quarter fiscal 2022 earnings in early February. In the third quarter of 2022, BCE delivered operating revenue growth of 3.2% to $6.02 billion. Meanwhile, adjusted net earnings were reported at $801 million, or $0.88 per share — up 7.1% and 7.3%, respectively, from the prior year. BCE offers a quarterly dividend of $0.92 per share, representing a tasty 6% yield. Its shares possess a favourable P/E ratio of 19.

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2. TSX:CM (Canadian Imperial Bank of Commerce)
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