



1 Oversold Dividend Stock (Yielding 3.24%) to Buy in January 2023

Description

While it might seem that every stock out there is an oversold stock, there are very few actually in oversold territory. For this, you need to find an [oversold stock](#) that trades below a Relative Strength Index (RSI) of 30.

Today, I'll show you a dividend stock that's incredibly near oversold territory. It's been an oversold stock in the past and yet has so much future potential — especially when you factor in a dividend. So, let's get right to it.

Northland Power

Northland Power ([TSX:NPI](#)) currently trades with an RSI at 39, which is quite near oversold territory. Shares are up 5% in the last year, sure. But in the last six months, shares are down almost 20%! This comes from the company seeing a huge amount of growth given its dividend status as a monthly payer.

However, now is a great opportunity for investors to jump back on this dividend stock on the TSX today. Shares are still in value territory, trading at 13.22 times earnings as of writing. You can therefore lock up a dividend with a yield at 3.24%.

But that's merely what's great about the stock right now. It's a stellar deal with a solid monthly dividend. Yet when it comes to future opportunities, there's even more to consider.

Future growth abounds

If you're looking for a stock on the TSX today that could be a major winner in the years and decades to come, I'd definitely consider Northland Power stock. The company is involved in several branches of the [renewable energy sector](#). It owns assets including onshore and offshore wind farms, solar farms, and natural gas production as well.

All of these assets will see even more use in the years to come, with the world moving further away

from oil and gas assets. Plus, Northland stock has projects all around the world, from Asia to North America with plenty in between.

What's more, the company has decades of growth behind it for investors to consider on the TSX today. Shares are up 1,131% in the last two decades. That's a compound annual growth rate (CAGR) of 13.36% as of writing. And with so much growth coming to this industry, it's very likely to continue at this rate in the future.

Doing the math

Now, let's look at how much investors could create today should they invest \$15,000 in Northland Power stock. You would, as mentioned, get a 3.24% dividend yield. That dividend comes to \$1.20 per share annually. Here's how that shakes out.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
NPI	\$36.77	408	\$1.20	\$489.60	monthly

Great, so you immediately have \$489.60 coming in each year, dished out on a monthly basis. But let's say you then see shares return to 52-week highs or increase by that 13%. Let's see those two options below.

COMPANY	PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY	TOTAL INVESTMENT
NPI – 13%	\$41.55	408	\$1.20	\$489.60	monthly	\$16,952.40
NPI – 52-week highs	\$47.13	408	\$1.20	\$489.60	monthly	\$19,229.04

Now, you've added on returns of between \$2,442 and \$4,718.64 in just a year with dividends included!

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