The Smartest Dividend Stocks to Buy With $400 Right Now

Description

As we kick off a new year, investors may be looking to rebalance or reposition their portfolios. Whether it's a few growth stocks or dividend stocks investors are after, what's abundantly clear is that the selloff we saw last year has provided excellent opportunities for those on a limited budget.

Undoubtedly, having $400 to spend on a number of stocks isn't a great deal of cash to work with. However, there are plenty of reasonably priced stocks worth considering for those with such budgetary restrictions.

As we look forward to what could be a better year in the market, here are two dividend stocks that I think are worth considering right now.

Top dividend stocks to buy: Dream Industrial REIT

Dream Industrial Real Estate Investment Trust (TSX:DIR.UN) is an open-ended investment trust aimed at the industrial real estate market. This trust's objective is to provide growing and sustainable cash flows funded by a high-quality portfolio of industrial assets (mainly warehouses and distribution centres).

Industrial real estate is one area I think investors should really consider looking at. The warehouses and distribution centres owned by Dream power the logistics necessary for the e-commerce boom to continue. Thus, for investors looking for real estate with secular growth catalysts, this is one space to consider.

In the trust's latest quarterly earnings report, Dream announced $0.46 in earnings per share for the quarter, which more than doubled analysts' projections of only $0.22 in earnings. This significant outperformance has bled through to some degree to Dream Industrial's stock price, but I think much more upside should be possible over the longer term.

Sure, higher interest rates are likely to depress real asset valuations for some time. However, high-quality companies like Dream Industrial with dividend yields above 5% should be considered in this market.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS), more commonly known as Scotiabank, is a leading Canadian lender well-known within our own borders. That said, this bank is also increasingly international in scope, with operations in the U.S., Mexico, Peru, Chile, the Caribbean, Central America, Colombo, and several other key geographies.

This stock has a consensus rating of “Buy.” There are many reasons for this, including the company’s rock-solid business model, cash flow-generation abilities, and strong market position. I think that, as far as Canadian banks are concerned, Scotiabank ought to be near the top of the list for all investors looking at this space.

The company’s dividend yield of 5.9% is among the best of its peers, which is another key reason I think BNS stock is worth a buy. Like many of its dividend-paying banking peers, Scotiabank’s track record of dividend growth is notable. This is a company with a dividend that’s about as solid as it gets, supported by strong cash flows and a manageable payout ratio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:DIR.UN (Dream Industrial REIT)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Dividend Stocks

2. Investing

Date
2025/06/27
Date Created
2023/01/27
Author
chrismacdonald