



Looking for Value and Income? These 3 Stocks Have You Covered

Description

The good thing for income-oriented investors today is the reality that many great dividend stocks are at valuations that make these companies great value picks as well. In this article, I'm going to discuss three stocks exhibiting strong income and value fundamentals.

TD Bank

For the better part of the past decade, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has traded at a premium multiple compared to its Canadian peers in the financial sectors. There are a few reasons for this. TD has maintained a higher level of U.S. exposure than its peers. TD made significant acquisitions in the U.S. market in the years following the financial crisis at extremely attractive prices. Therefore, the lender's retail presence grew south of the border, further expanding the company's wealth management portfolio across North America substantially.

The Canadian lender has a yield which now hovers around 4% (much more attractive than previously). This is due to a reduction in the bank's premium relative to its peers. TD now trades roughly in line with its peer group, and its dividend yield has increased proportionately due to this multiple contraction as well as a recent dividend increase during TD's most recent earnings report on mixed results.

Nutrien

A company that continues to trade around 52-week lows, **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a commodities play. Analysts believe its 4.5% dividend is stable and not under stress currently. While the long-term outlook for agricultural growth in emerging markets remains strong, short-term supply-and-demand fundamentals have hit Nutrien's stock price hard recently. This has been spurred by fears around coronavirus, weather, and trade, which is ultimately shifting supply and demand forecasts to pessimistic levels for investors and traders.

That being said, from a fundamentals perspective, Nutrien generates excellent free cash flow at current depressed commodity price levels. Nutrien is trading at around 12 times free cash flow currently. The

company is also buying back shares in addition to paying its juicy dividend yield and has provided strong forward guidance for 2020. These are factors the market does not seem to value highly at this point in time.

TC Energy

Formerly known as TransCanada, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is one of Canada's largest integrated pipeline/energy infrastructure companies. TC Energy is an excellent option for investors from both an income and dividend perspective.

The company provides investors with a relatively attractive dividend yield around 4.3%. Like many of its peers, the company has traditionally increased its dividend distribution annually at a rate of approximately 5-6% per year, roughly in line with the company's earnings growth over time. TC Energy is a fantastic long-term buy and hold for investors with a long-term investment time horizon of 10 years or more. This is due to TC's \$30 billion worth of contracted projects, which are currently being built out, in addition to another \$20 billion in projects on the horizon.

Stay Foolish, my friends.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:NTR (Nutrien)
4. TSX:TD (The Toronto-Dominion Bank)

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