



## Show Me the Money: 3 Stocks to Consider and 1 to Be Wary Of

### Description

I just opened my statement this week, which again is showing me some nice monthly and quarterly income from my portfolio. Amid the hoopla of stocks that are supposed to perform are a bevy of demure, conservative companies that are performing. Dispense with the bluster... go with cash generators that can fill your pocketbook consistently.

#### 3 to consider

**Imperial Oil** ([TSX: IMO](#)) had net income for Q1 2014 of \$946 million or \$1.11 per share on a diluted basis, versus \$798 million or \$0.94 per share for the same period in 2013. Q1 cash flow created from operating activities was \$1,085 million, in comparison to \$597 million in the corresponding 2013 period.

The company operates in three segments: Upstream, Downstream, and Chemical. It experienced net income increases in all three. Upstream net income in Q1 was \$452 million, \$152 million higher than the same period of the prior year. Downstream net income was \$488 million versus \$478 million in the first quarter of 2013. Chemical net income was \$43 million in Q1, an increase from \$35 million in the same 2013 quarter.

This past January, Imperial Oil declared a quarterly dividend of 13 cents per share on its outstanding common shares. The Q1 2014 dividend compares with the 4Q 2013 dividend of the same amount.

**Royal Bank of Canada** ([TSX: RY](#))([NYSE: RY](#)) is a leading diversified financial services company and Canada's largest bank (measured by assets and market capitalization). It seems almost everyone hates the banks, except those who invest in them. Its dividend yield is 3.8%.

In 2013, 56% of its earnings were from its Personal & Commercial Banking operations. Canada provided 64% of the company's revenue. Royal Bank had record earnings of \$8.4 billion in 2013. This represents an increase of 12% from 2012. Royal Bank's global focus is to take advantage of its domestic strength and expertise to develop its businesses in the largest international markets.

**McCormick & Company** ([NYSE: MKC](#)) manufactures, markets, and distributes spices (McCormick's, Lawry's, Old Bay), seasoning mixes, condiments, and more. It is a major supplier to food

manufacturers and the foodservice industry. Moreover, its products are spread across the shelves of your local supermarket.

For Q1 2014, McCormick increased sales 6%. The company had strong growth in its consumer and industrial businesses. Its cash flow from operations grew \$45 million from the 2013 period.

Mr. Alan D. Wilson, Chairman, President and CEO, said, "For the total company, we grew operating income 11% and earnings per share 9% from the year-ago period, as a result of higher sales, a favorable business mix, our Comprehensive Continuous Improvement (CCI) program and diligent cost management."

In March, McCormick's Board declared a quarterly dividend of \$0.37 per share on its common stocks. This is the company's 90th year of consecutive dividend payments.

### 1 to be wary of

**Twitter** ([NYSE: TWTR](#)) is not performing as expected, whatever those expectations were for a company that I think may wear out its welcome with users as the years unfold. Everyone feels they must be on Twitter, but as an investment, Twitter is a gamble. At this writing, the stock is down to just above \$32.00. It's a tech stock that I don't see the potential in, but it may prove me wrong and that's OK. Right now, I'm staying away.

As *The New York Times* reported in October 2013, "The quality of people's posts on Twitter was listed as a potential risk factor for the company in its initial stock offering filed on Thursday. The idea, put simply: If people don't say interesting things on Twitter, then fewer people will use the site and look at advertisements, which account for a substantial amount of its revenue."

You don't have to follow the hype about the new, trendiest and latest flavor of the month on the markets. Look at what people need and buy every day. If you're out to make a quick buck, good luck. However, if you're in the market for the long haul, wait patiently and get in the habit of counting your cash with the first three companies mentioned.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:MKC (McCormick)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TWTR (Twitter)
4. NYSEMKT:IMO (Imperial Oil Limited)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:RY (Royal Bank of Canada)

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