



Follow the ABCs of Investing With These 3 Stocks

Description

From our earliest years, learning the ABCs was vital to becoming a successful communicator. With investing, certain fundamental principles work just as well. Diversification across sectors with investments in solid companies is a recipe for steady income. Here are some ABCs to consider for becoming a successful investor.

ArcelorMittal

ArcelorMittal ([NYSE: MT](#)) is the world's biggest steelmaker. For Q1 2014 it trimmed its loss. It had a net loss of \$0.2 billion versus a net loss of \$0.3 billion in Q1 2013. However, it had steel shipments of 21.0Mt. This represents growth of 2.4% versus Q1 2013. ArcelorMittal's important European operations reported an operating profit of \$80 million. The company's revenues grew 0.2% year over year to \$19.8 billion in Q1 2014.

The company reiterated its 2014 EDITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) forecast of approximately \$8 billion. ArcelorMittal is diversified geographically regarding steelmaking operations. It produces approximately 38% of its steel in the Americas. It produces approximately 46% in Europe and approximately 16% in other countries.

ArcelorMittal noted this month that it has identified an opportunity to extend iron ore production capacity from the current target of 84Mt by the end 2015 to 95Mt. This is because of additional 5Mtpa potential at Liberia and additional 6Mtpa potential at ArcelorMittal Mines Canada.

ArcelorMittal's yearly gross dividend per share totals to U.S. \$0.20 per share.

BCE

BCE ([TSX: BCE](#))([NYSE: BCE](#)) is one of the top dividend-yield stocks on the **S&P/TSX 60**. The company's in an intensely competitive sector that's also subject to regulation. However, it continues to provide returns to stakeholders. It acquired Astral Media in 2013, which helped the company grow its Q1 2014 earnings. BCE acquired eight specialty and pay TV services, two over-the-air TV stations, 77 radio stations, as well as the Astral Out-of-Home advertising division.

For Q1 2014, the company had 8.7% earnings growth to \$615 million. Operating revenues in its important wireless segment increased 4.5% to \$1.5 billion. Furthermore, its Bell Mobile TV had 1.33 million subscribers. It had approximately 800,000 subscribers in the same period in 2013.

Extending its footprint, BCE has acquired prime 700 MHz wireless spectrum licenses across the country. The objective is to bring advanced broadband wireless to small towns, rural regions and northern Canada.

The company is focusing diligently on improving its customer service reputation, an area of the business that has hurt it in the past. Since 2008, it has invested \$600 million in service improvements.

Concerning customer service for Q1, Mr. George Cope, BCE'S CEO, said, "We continue to see call volumes drop into all of our call centres and we saw a reduction in churn across all of Bell services and improvement in customer loyalty."

BCE's annualized common share dividend increased 6.0%, or 14 cents per share, from \$2.33 to \$2.47 effective with its Q1 2014 dividend, paid on April 15, 2014. This represents the company's tenth increase to its annual common share dividend and represents a 69% increase in the past five years.

Canadian Pacific Railway

Canadian Pacific Railway ([TSX: CP](#))([NYSE: CP](#)) is a transcontinental railway in Canada and the U.S. In 2013, it reported record revenues of \$6.1 billion. This was up 8% over 2012. Its adjusted net income was \$1.1 billion, or \$6.42 per diluted share. This represented a 48% improvement in comparison to 2012.

For Q1 2014, Canadian Pacific's reported net income was \$254 million, or \$1.44 per diluted share. This is in comparison with \$217 million, or \$1.24 per share, in Q1 2013. Its revenues grew 1% to \$1,509 million.

In Q1, the company cut operating expenses by 4% to \$1,086 million. The company is focusing on a leaner fleet, infrastructure, and workforce. In its Bulk division, Canadian Pacific is centering on improvements in asset velocity and efficiency. This is opening up ways for the company to move more product with fewer cars. It is also creating opportunities to reduce customer down time and increase loading capacity.

At the end of April, Canadian Pacific Railway's Board declared a quarterly dividend of CDN \$0.35 per share on the outstanding common shares.

Practice the ABCs of investing through careful due diligence of major dividend paying companies. This will lead you to businesses and sectors that are conducive to healthy shareholder returns. It really is

that basic and a primer for investing success.

CATEGORY

1. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:MT (ArcelorMittal)
4. TSX:BCE (BCE Inc.)
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Author

mugulini

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