



5 Dividend Stocks for a First-Rate Portfolio

Description

Venturing into stocks and looking for diversification and dividends? These five companies are a good place to start for building a well-rounded income-earning portfolio.

1. BCE

As of year-end 2013, **BCE** ([TSX: BCE](#))([NYSE: BCE](#)) had 21.1 million total subscribers to its varied services. In 2013, its wireless, internet, media, and TV growth services accounted for 82% of revenues. In Q1 2014, BCE'S Bell Fibe TV added 54,680 net new customers. This is 15.2% more than in Q1 2013.

BCE's dividend yield is 5% and its five-year average dividend yield is 5.10%. Its dividend rate is \$2.47. Since 2008, BCE has had 10 common share dividend increases.

2. Canadian National Railway

Canadian National Railway ([TSX: CNR](#))([NYSE: CNI](#)) has a network of 20,000 route miles of track. This traverses Canada and middle America and connects the Atlantic, Pacific, and Gulf of Mexico coasts. The company's Q2 2014 net income was \$847 million, versus net income of \$717 million for Q2 2013.

Canadian National Railway's dividend yield is 1.40% and its five-year average dividend yield is 1.50%. Its dividend rate is \$1.00. This week, the company announced that its board approved a Q3 2014 common share dividend of \$0.25.

3. Canadian Oil Sands

Canadian Oil Sands (TSX: COS) is the largest owner in the Syncrude Joint Venture (36.74% interest in Syncrude Canada Ltd.). Syncrude produces a high quality, low sulphur, light, synthetic crude oil. Canadian Oil Sands generates revenue from its share of production in the Syncrude project. Syncrude's leases are situated in the Athabasca oil sands deposit. Syncrude has decades worth of resources that can be developed.

Canadian Oil Sands' dividend yield is 5.90% and its dividend rate is \$1.40. The company's three-year average dividend growth rate is 54%.

4. Fortis

Fortis (TSX: FTS) is the largest investor-owned distribution utility in Canada. The company's assets consist of approximately 95% regulated utility assets and contracted hydroelectric generation assets. Fortis has roughly 2.5 million electricity and gas customers and its 2013 revenue was more than \$4 billion. When its **UNS Energy** acquisition closes, Fortis utilities will serve over three million customers.

Fortis's dividend yield is 3.90% and its five-year average dividend yield is 3.70%. Its dividend rate is \$1.28. Fortis has a record 41 consecutive years of dividend growth.

5. Royal Bank of Canada

Royal Bank of Canada (TSX: RY)(NYSE: RY) has operations in Canada, the United States, and 42 other countries. The bank had \$8.4 billion in earnings in 2013. Personal & Commercial banking accounted for 56% of its 2013 earnings. For Q2 2014, Royal achieved net income of \$2.2 billion, an increase of 15% from \$1.91 billion in Q2 2013. In Canadian banking, Royal has the No.1 or No.2 market share in all product categories.

Royal Bank of Canada's dividend yield is 3.60% and its five-year average dividend yield is 3.80%. Its dividend rate is \$2.84.

If you're ready to invest some cash to build your income portfolio, these five companies offer consistent income and exposure to different sectors. Consider them as high-quality additions to your family of stocks.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:BCE (BCE Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)
5. TSX:RY (Royal Bank of Canada)

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Author

mugulini

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