



3 Dividend Stocks for Autumn

Description

Summer's bloom is beginning to fade and autumn's burnished colours are on the horizon. It's time to consider key sector players that can drive income growth for your portfolio this fall. Here are three dividend stocks to consider:

1. Canadian Pacific Railway Limited

Canadian Pacific Railway Limited ([TSX: CP](#))([NYSE: CP](#)) is a pricey stock, but if you have the cash to spend, it's a Canadian blue-chip stalwart to own. The stock is currently trading very close to its 52-week high. Canadian Pacific's dividend yield is 0.63%, and its dividend rate sits at \$1.40.

Canadian Pacific's focus is a leaner fleet, infrastructure, as well as workforce to drive efficiencies and enhance its bottom line. CEO Hunter Harrison has implemented operational changes. *The Globe and Mail* reported recently that he "... has idled rolling stock and locomotives while retooling operating routes in a bid to improve efficiency and profits."

Despite experiencing bottlenecks on U.S. routes, it still had a stellar Q2 2014. Reported net income in Q2 was \$371 million, or \$2.11 per diluted share. This is in comparison to \$252 million, or \$1.43 per share, in Q2 2013 (a 48% year-over-year improvement in EPS). Therefore, Canadian Pacific is on the right track, so to speak, heading into October.

2. Enbridge Inc.

Enbridge Inc. ([TSX: ENB](#))([NYSE: ENB](#)) has a current dividend yield of 2.51%, and its dividend rate is \$1.40.

Enbridge is currently in the midst of the largest capital program in its history. It is developing \$36 billion of commercially secured growth projects. Projects include liquids pipelines to renewables. Its Light Oil Market Access; Eastern Access; and Western Gulf Coast Access initiatives are commercially secured. Together, these will open up new markets for up to 1.7 million barrels per day (bpd) of crude oil by 2016.

In addition, Enbridge is constructing new liquids and gas pipelines and expanding its gas distribution network. It is also investing in innovative renewable power generation, and expanding into new business areas, including Canadian midstream gas processing and power transmission.

The company's Enbridge Gas Distribution delivers natural gas to 2 million homes and businesses in the province of Ontario. This past spring, Enbridge applied to Ontario regulators for a 40% increase in the energy rates it charges its customers in Ontario. The Ontario Energy Board of course rubber-stamped this, so this winter looks profitable for Enbridge and its investors as autumn wanes and the cold and snow move in and consumers' jack up their thermostats.

3. George Weston Limited

George Weston Limited ([TSX: WN](#)) has a current dividend yield of 2.00%, and its dividend rate is \$1.68.

The Shoppers Drug Mart acquisition has been a boon to the company. For Q2 2014, its free cash flow was \$808 million versus \$409 million in Q2 2013. The free cash flow increase was mainly because of an increase in net earnings (before non-cash items) driven by earnings linked to Shoppers. George Weston reported a 51.4% rise in adjusted operating income for Q2 2014.

The Weston family, which currently owns 43%, is the largest shareholder of **Loblaw Companies Limited** ([TSX: L](#)). It was via Loblaw that Weston bought Shoppers Drug Mart. In July, Loblaw announced Galen G. Weston as president, aside from his role as executive chairman. The future plan is for George Weston to take control of Loblaw.

George Weston's Q2 2014 adjusted basic net earnings per common share rose by \$0.18 versus Q2 2013. This was because of the operating performance of Loblaw including Shoppers Drug Mart. With Thanksgiving and the winter holiday season on the horizon, George Weston and its food processing and distribution business, along with its Loblaw supermarkets and Shoppers retail pharmacies, are positioned for growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
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3. TSX:CP (Canadian Pacific Railway)
4. TSX:ENB (Enbridge Inc.)
5. TSX:L (Loblaw Companies Limited)
6. TSX:WN (George Weston Limited)

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