3 Dividend Stocks You Can Actually Count On: Telus Corporation, Thomson Reuters Corporation, and Royal Bank of Canada

Description

If you're hunting for strong dividend yields, there are plenty of opportunities in Canada, especially in the energy sector. But before jumping right in, you want to be careful. Many of these yields are shaky at best, and may not be sustainable.

Instead, you should be willing to accept slightly lower yields from much stronger companies. These dividends can be far more reliable, and also much more likely to grow. Below we provide three examples.

1. Telus Corporation

If you're looking for stable dividends, the telecommunications sector is a great place to start. These companies earn subscription-based revenue, which makes earnings very predictable, perfect for a big dividend. Better yet, the big three providers benefit from limited competition and are protected by very high barriers to entry.

And among the big three, **Telus Corporation** (TSX: T)(NYSE: TU) is the best-in-class provider. It's been adding far more wireless subscribers than its peers, and has been keeping them happier, too. As a result, the lifetime value of its customers is tops among the big three. The same could be said about the company's 4.4% revenue growth from last year.

Best of all, Telus' dividend has grown by about 400% over the past decade, and yields a respectable 4.0%.

2. Thomson Reuters Corporation

Unlike Telus, information services provider **Thomson Reuters Corporation** (TSX: TRI)(NYSE: TRI) has had its share of struggles in recent years. First came a messy merger between Thomson and Reuters in 2007, right before the financial crisis. Then came a botched product release.

But through it all, the company lost minimal market share. This is because, like Telus, most of Thomson's revenue comes from subscriptions. And it is incredibly inconvenient for a customer to switch away from Thomson. This underscores the strength of Thomson as a company and why its dividend is so stable. As a bonus, the company has now turned the corner, and performance has improved.

Like Telus, Thomson's dividend yield is a solid 3.6%. And once again, shareholders don't have to worry about that payout being cut.

3. Royal Bank of Canada

This may seem crazy. After all, how could a bank be on a list of reliable dividend stocks? Aren't they risky?

Well, it's not that simple. Canadian banks are very profitable and stable, especially by international standards. For that reason, many investors count on the Big 5 for their reliable dividends.

Royal Bank of Canada (TSX: RY)(NYSE: RY) is a perfect example. The bank has one of the best Canadian banking franchises in the country, and also has global capital markets and wealth management businesses to be envied. RBC makes plenty of money from these business units, and the bank is also very well capitalized.

To illustrate how strong RBC is, its dividend has grown by five times since late 2000, and was never cut along the way. Not even during the global financial crisis, which wiped out so many other banks. Today, the dividend yields 3.8%.

Granted, the other Big 5 banks make great dividend stocks, too. So before making any decisions, be sure to read the free report on Canada's banks, offered right below.

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Author
bensinclair