# 3 Dividend Stocks I'd Buy If I Won $8,000

## Description

Where would you invest an $8,000 windfall?

Whether it's from a lottery ticket, a day at the casino, or an intuitive call on the game last week, you might suddenly find yourself with a nice windfall and wonder where to invest it.



At the moment, the equity markets are finally taking a bit of a breather, and the great thing about a pullback is it gives long-term investors a chance to buy good companies at attractive prices. In this market, I would look for companies that offer great dividend-growth potential and are currently off the hot-stock radar.

Here are the reasons I think investors should consider **Cenovus Energy Inc.** (TSX: CVE)(NYSE: CVE), **Shaw Communications Inc.** (TSX: SJR.B)(NYSE: SJR), and **Manulife Financial Corp.** (TSX: MFC)(NYSE: MFC) in the current environment.

**Cenovus Energy Inc.**

Cenovus might be the best-kept secret in the Canadian oil patch. The company is known for its oil sands assets, but it also refines more than 430,000 barrrels of crude oil per day. The benefit of the integrated business model is that it provides important revenue diversification when oil prices are volatile.

In Q2 2014, Cenovus reported record cash flow of $1.2 billion, a 37% year-over-year increase. The company is absolutely awash in cash because oil production is hitting record levels.

The best part for investors is that Cenovus and its partner, **ConocoPhillips**, are still in the early stages of developing their oil sands assets. Recently, Cenovus announced the completion of the sixth expansion stage at its Foster Creek facility, adding production capacity of 30,000 barrels per day.

Cenovus pays a dividend of $1.06 per share that yields about 3.6%. Investors should see consistent annual increases to the payout.

**Shaw Communications Inc.**

With a first-class mix of communications and media assets, Shaw Communications is a great pick for dividend-growth investors looking for a stable company to hold during volatile times in the market.

The thing that sets Shaw apart from its peers is the fact that it does not own a mobile phone business. Management made the wise choice a few years back to resist the temptation to drop the $1 billion needed to build a mobile network. Instead, it has opted to invest in high-margin growth opportunities such as its recent $1.2 billion acquisition of ViaWest Inc., a Colorado-based data-center company.

Cloud-based data management is a high-growth industry and investors should see cash flow increase as a result of the purchase.

Finally, if the Shomi Internet-streaming partnership with **Rogers Communications Inc.** is successful, free cash flow at Shaw could rise significantly in the next few years.

Shaw pays a monthly dividend that yields about 4%.

**Manulife Financial Corp.**



Investors have shied away from Manulife since the devastating dividend cut during the financial crisis. Today, the company is probably the most undervalued name in the financial sector.

Management has worked hard to stabilize the business. The company is well capitalized and is now focusing on growth. The recent $4 billion all-cash acquisition of the Canadian assets of **Standard Life plc** shows investors the company is back on track.

Manulife also recently hiked its dividend by 19%. The current yield is about 2.9%. The payout ratio is still very low at about 24%, so investors should see healthy increases in the distribution going forward.

Manulife only trades at 10 times earnings, which is a significant discount to its peers.

All three of these stocks represent solid buying opportunities for long-term investors, but one company is even better.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. NYSE:SJR (Shaw Communications Inc.)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:MFC (Manulife Financial Corporation)
6. TSX:SJR.B (Shaw Communications)

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