



3 Stocks Likely to Hike Their Dividends

Description

I'm not the smartest guy in the world. If a bird had my brains, it might fly north in the winter. That's why I love dividend investing.

Who knows where stock prices will go from one week to the next? However, I do know to the day when my dividends will arrive. In fact, some companies are so predictable, it's even possible to make a strong guess as to when they'll raise their payouts.

Here are three stocks that will likely hike their dividends over the next six months. Of course, there are no sure things in investing. But unless there's another financial crisis over the holidays, these firms are almost certain to raise their distributions.

1. TransCanada Corporation

TransCanada Corporation ([TSX: TRP](#))([NYSE: TRP](#)) has been busy. Thanks to North America's energy boom, the firm has been hard at work laying pipelines across the continent.

That means the business is gushing profits. In response, management has promised to increase the company's dividend by at least 8% annually over the next two years. That would bring the stock's annual distribution to \$2.24 per share by 2017, up from \$1.92 per share in 2014.

Of course, some investors are worried about oil patch dividends. That's extra true after the recent fall in energy prices. That said, TransCanada simply earns a fee on every barrel of oil and gas that flows through its network. That means it gets paid no matter which direction commodity prices go.

2. Canadian Utilities Limited

Canadian Utilities Limited's ([TSX: CU](#)) 2.7% dividend yield won't knock your socks off. However, overlooking this stock because of its meager payout would be a mistake.

Since 1972, the company has increased its distribution more than 16-fold. That includes 42 consecutive annual dividend hikes. If you had bought and held the stock over that time, the yield on

your original investment would be over 35% today.

And while you might think utilities are stodgy businesses, it looks as if this firm is just getting started. Last year, Canadian Utilities lifted its quarterly dividend 12.5% to \$0.27 per share — one of the largest increases in the company's history. Barring some sort of catastrophe, it's almost certain to hike its payout again this spring.

3. Canadian National Railway Company

Canadian National Railway Company ([TSX: CNR](#))([NYSE: CNI](#)) Chief Executive Claude Mongeau has been hinting that big changes are coming for the railway. Perhaps he's talking about an extra-special dividend hike in January.

Next year will mark CN's 20th anniversary since its initial public offering. "I've been musing about a 20-year dividend increase on our 20th anniversary." he told the *Financial Post* this week, "It has a nice ring to it."

Mr. Mongeau has also been talking about raising the company's payout target, the percentage of profits the railroad mails out as dividends. That means CN's distribution could grow even faster than its earnings over the next five years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TRP (Tc Energy)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:TRP (TC Energy Corporation)

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