



5 Stocks Poised to Hike Their Dividends in 2015

Description

Dividends are the **McDonald's** of investing: No matter if you're eating in Toronto, Tokyo, or Toledo, you always know exactly what to expect.

Nobody can tell you where the stock market is going from one day to the next. But with dividends, I can always count on a steady stream of cash to be deposited into my brokerage account.

Some firms, however, are so reliable, you can predict not only when they'll pay a dividend, but also when the company will *raise* it.

With that in mind, here are five stocks that are poised to hike their payouts in 2015. Nobody knows what their share prices will do in the short term. But barring a nasty surprise, these five firms should be able to pass on lucrative dividend increases this year.

1. Telus Corporation

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is one of the most reliable dividend payers around. It's also one of the most predictable. Executives have pledged to raise the firm's distribution twice per year through 2016, at an annual rate of about 10%. Of course, those dividend hikes will depend on Telus's future earnings and cash flow. However, management would not have raised investors' hopes unless they were confident in the company's future.

2. Enbridge Inc

Enbridge Inc ([TSX:ENB](#))([NYSE:ENB](#)) shares have been caught up in the malaise of all things oil-related. Not to mention the company's flagship Northern Gateway pipeline has been stonewalled by one roadblock after another. But there's still plenty to like about the firm. Thanks to the oil boom we're seeing across the continent, Enbridge has about \$33 billion in smaller projects that are likely to go ahead. This should allow the company to grow its dividend by about 10% to 12% annually through 2018.

3. Toronto-Dominion Bank

With more than 25% of revenues coming from the United States, the **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is levered to growth in the world's biggest economy. South of the border, household debt has come down sharply and the housing market is on the mend. That means more loans, fewer defaults, and higher profits for the Green Machine. And given that the financial institution's dividend yield and payout ratio are below average for a big five bank, I expect TD will raise its dividend again this year.

4. TransCanada Corporation

With so much attention focused on **TransCanada Corporation's** ([TSX:TRP](#))([NYSE:TRP](#)) controversial Keystone XL pipeline, it's easy to forget about all of the other growth avenues this company has in front of it. In total, the business has more than US\$45 billion in secured expansion projects, including thousands of miles of pipeline extensions as well as dozens of new processing and storage facilities. This should allow the company to grow earnings (and by rough extension dividends) at an 8% to 10% annual clip through 2017.

5. Fortis Inc

My boldest prediction for 2015: **Fortis Inc** ([TSX:FTS](#)) will raise its dividend in December. How can I be so sure? Well, the electric utility giant has hiked its payout every year since 1972, the longest streak of any company in Canada. Unless there is some sort of financial crisis between now and the end of the year, I don't expect Fortis to end that tradition any time soon.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. NYSE:TU (TELUS)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)
7. TSX:T (TELUS)
8. TSX:TD (The Toronto-Dominion Bank)
9. TSX:TRP (TC Energy Corporation)

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