5 Dividend Stocks Poised to Hike Their Payouts

Description

Where is the stock market going? Don't ask me. I don't have a clue. But there's one thing you can hang your hat on—the following five companies will likely raise their dividends in the next 12 months.

How can I be so confident? Well, they've been doing it for years—in some cases decades. And barring some sort of financial crisis, they're not about to stop any time soon.

That's why I love dividend investing—it's predictable. Even as the stock market swings wildly from day to day, these companies—and many others like them—reward shareholders with regular dividend hikes. For me, that makes it easier to hold on during the market's inevitable tantrums.

Bear in mind, there are no sure things when it comes to investing. Even the most wonderful businesses can stumble from time to time. However, all of the stocks listed below have long track records of dividend hikes. I don't expect these streaks to come to an end anytime soon.

1. Telus Corporation

Tired of overpriced cellphone bills? Here's one way to get back at them: invest in **Telus Corporation** (TSX:T)(NYSE:TU). Since 2005, the company has hiked its payout fourfold. Management has pledged to keep that trend going, with plans to raise the firm's payout twice annually through 2017.

2. Canadian Tire Corporation Limited

Canadian Tire Corporation Limited (TSX:CTC.A) is another company that, in spite of its modest yield, has delivered solid returns for shareholders. Over the past 10 years—even as investors wondered if the retailer was running out of room to expand—its dividend grew nearly threefold. That included a 22% year-over-year bump this spring—one of the biggest in the company's history. Look for another increase later this year, just in time for the holiday season.

3. Enbridge Inc.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is one of the most reliable dividend payers around. It's also one of the most predictable. Executives expect to increase the company's dividend by 10-12% annually through 2017—in line with earnings growth. Of course, those dividend hikes will depend on Enbridge's future cash flow and still have to be approved by the board. However, management would not have raised investors' hopes unless they were confident they could deliver.

4. TransCanada Corporation

TransCanada Corporation (TSX:TRP)(NYSE:TRP) shares have been caught up in the energy industry's malaise. Not to mention that progress on the company's flagship Keystone XL pipeline has been slowed by regulatory hurdles. But thanks to the oil boom we're seeing across the continent, TransCanada has billions of dollars in other projects that will likely get the green light. This should allow management to grow the firm's dividend by about 8-10% annually through 2018.

5. Canadian Utilities Limited

And finally, I want to reveal my boldest financial prediction ever: **Canadian Utilities Limited** (TSX:CU) will hike its distribution in January. Okay, maybe this call isn't that bold. But how can I be so confident? Well, the power company has increased its payout for 43 consecutive years, one of the longest streaks of any publicly traded firm in the country. So, unless this light bulb fad comes to an end, I expect many more dividend hikes from Canadian Utilities in the years to come.

CATEGORY

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. NYSE:TU (TELUS)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:ENB (Enbridge Inc.)
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