2 Safe Dividend Stocks Yielding More Than 4%

Description

The recent slide in the Canadian market is giving long-term dividend investors an opportunity to pick up some top quality names at reasonable prices.

Here are the reasons why I think investors should consider **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) and **Telus Corporation** (TSX:T)(NYSE:TU) right now.

Bank of Nova Scotia

Investors often overlook Canada's third-largest and most international bank, but Bank of Nova Scotia has a compelling long-term story that should start to draw more attention.

Bank of Nova Scotia, or Scotiabank, as it is commonly known, is betting big on growth in Latin America with a strong focus on Mexico, Colombia, Peru, and Chile. These countries form the backbone of the Pacific Alliance, a group created in recent years to integrate financial markets and enable the free movement of goods and workers among the member countries.

As businesses expand into the other markets they need a wide array of additional financial products and services. With its strong presence in each country, Bank of Nova Scotia is well positioned serve those needs.

The Pacific Alliance also represents a retail market of more than 200 million people. As the middle class continues to expand, demand for credit cards, car loans, lines of credit, and investment products is growing.

Last fall the bank launched a major restructuring program targeted at improving efficiency in all areas of the business. Investors should start to see the fruits of these efforts in the back half of 2015.

Bank of Nova Scotia trades at less than 11 times forward earnings and just 1.7 times book value, which are attractive compared with the historical average. The quarterly dividend of $0.68 per share is very safe and currently yields 4.2%.

Telus Corporation

Telus is not only Canada's fastest growing telecommunications company, it also has the happiest customers.

Every year, Telus claims top spot as the mobile phone company with the lowest churn rates. Telus also boasts the highest average revenue per mobile user.

With three-year mobile contracts now nullified across Canada, Telus is well positioned to leverage its customer–first focus and win new subscribers as frustrated mobile users at competing brands take advantage of the opportunity to walk away from their agreements.

Telus TV, and the company's Internet services have already enjoyed strong customer migrations in the past few years, primarily from the cable companies.

Another part of Telus' business that doesn't get much attention is the Telus Health unit. The company has invested heavily in its healthcare solutions for doctors, hospitals, and insurance companies, and now finds itself as the leader in the Canadian market. As demand increases for the secure exchange and storage of real-time medical data, Telus is well positioned to profit.

Telus trades at a reasonable 15 times forward earnings and pays a quarterly dividend of $0.42 per share that yields 4%. The company has a strong history of dividend growth and that trend should continue.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TU (TELUS)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:T (TELUS)

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