Dividend Investors: 5 Attractive Stocks Yielding More Than 5%

Description

With GICs and bonds paying next to nothing, yield investors are constantly searching for solid companies that offer good dividend yields as well as a shot at some price gains.

The strategy comes with risks because yields beyond 7% can often signal an impending cut. With this in mind, here are five big dividends that should be safe.

1. Russel Metals Inc.

Russel Metals (TSX:RUS) is one of the largest metals distribution and processing companies in North America. Based in Ontario, the company has grown significantly over the past several years through strategic acquisitions.

The energy products division has taken a hit this year and weakness in the sector is expected to continue through 2015, but Russel has more than enough cash to get it through the rough times.

At the end of the first quarter the company had $16 million in cash and cash equivalents as well as more than $300 million available in credit lines. The difference between free cash flow and the dividend payment was less than $4 million in Q1, so the available cash is more than sufficient to cover the distribution for quite some time.

Russel pays a quarterly dividend of $0.38 that currently yields 6.25%.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust (TSX:REI.UN) is Canada’s largest retail REIT with more than 350 properties occupied by high-quality anchor tenants. Revenue is so well diversified that no tenant is responsible for more than 3.8% of total cash flow.

The company continues to acquire or build tier one properties, and currently has more than 40 projects under way in Canada alone.

RioCan’s distribution currently yields 5.3%

3. Baytex Energy Corp.

Buying an oil company like **Baytex Energy Corp.** (TSX:BTE)(NYSE:BTE) sounds like a risky bet, but the company has already restructured and should be on sound footing.

Baytex was in trouble last fall and the company was forced to cut its distribution by nearly 60%. Since then, management has renegotiated the debt covenants, raised capital, and reduced expenses. If energy prices remain at current levels, Baytex's 5.6% dividend should be safe and you have a shot at some big upside potential in the stock when oil prices go higher.

4. Corus Entertainment Inc.

Corus Entertainment Inc. (TSX:CJR.B) is down more than 30% in the past 12 months as weak ad revenues in the radio segment and concerns about the CRTC's impending pick-and-pay policies have sent investors running for the doors.

Corus controls some of Canada's most popular specialty channels including HBO, Nickelodeon, and Teletoon. The company also owns Nelvana, one of the world's leading producers and distributors of children's animated content.

The sell-off in the stock is probably way overdone and shareholders could see some big upside in the next couple of years if the pick-and-pay fears turn out to be unfounded.

The dividend paid by Corus currently yields 6.7%.

5. Inter Pipeline Ltd.

Inter Pipeline Ltd. (TSX:IPL) is often ignored in favour of its larger peers, but the company plays an integral role in the movement of oil in western Canada. In fact, in 2014 the company transported 35% of oil sands output and 15% of the region's conventional oil production.

The company also operates a profitable liquids storage business in Europe, and just signed a deal to buy four new terminals in Sweden.

Inter is a fast growing company with a strong niche position in areas where demand for its services will continue to grow, despite the difficulties in the energy space.

Inter pays a dividend that yields 5%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
4. TSX:RUS (Russel Metals)

Category

1. Dividend Stocks

2. Investing

Date
2025/08/28
Date Created
2015/06/11
Author
aswalker