



Income Investors: 3 Dividend Dynamos to Add to Your Portfolio

Description

As most investors know, dividend-paying stocks far outperform non-dividend-paying stocks over the long term. This means that every long-term investor should own at least one dividend-paying stock, and depending on your age, investment goals, and most of all, your risk tolerance, maybe a diversified portfolio full of them. With this in mind, let's take a look at three stocks with yields up to 5.6% that you should consider buying today.

1. Gibson Energy Inc.: 5.6% yield

Gibson Energy Inc. ([TSX:GEI](#)) is one of the largest independent midstream energy companies in North America. It pays a quarterly dividend of \$0.32 per share, or \$1.28 per share annually, giving its stock a 5.6% yield at today's levels. The company has also increased its dividend for four consecutive years, and as long as commodity prices continue to recover over the next few months, I think this streak could continue for many more years.

2. Canadian Imperial Bank of Commerce: 4.6% yield

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest bank in Canada. It pays a quarterly dividend of \$1.09 per share, or \$4.36 per share annually, which gives its stock a 4.6% yield at current levels. The company has also increased its dividend eight times in the last five years, making it one of the top dividend-growth plays in the financial sector today, and its consistent free cash flow generation could allow for another increase in the near future.

3. Norbord Inc.: 3.6% yield

Norbord Inc. ([TSX:NBD](#)) is one of the world's leading producers of wood-based panels. It pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 3.6% yield at today's levels. Investors should also note that the company reduced its dividend by 58.3% earlier this year to ensure its financial stability while it completed its merger with Ainsworth Lumber Co., but I think the dividend could be increased back to its previous level by the end of fiscal 2015 due to the increased amount of free cash flow that could be generated as a result of the merger.

Which of these stocks should you buy?

Gibson Energy, Canadian Imperial Bank of Commerce, and Norbord represent three of the market's top dividend-paying investment opportunities today. All long-term investors should take a closer look and strongly consider initiating positions in at least one of them.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:GEI (Gibson Energy Inc.)

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