These Rock-Solid Dividends Yield More Than 4.5%

Description

Finding quality dividend stocks in Canada is not easy. Most of the highest-yielding names come from the energy sector, or are otherwise on shaky ground. Meanwhile, the most stable companies tend to be very popular, resulting in low yields.

That being the case, you can find some solid dividends in Canada without sacrificing too much yield. Below are two of the best examples.

1. BCE

If you're looking for solid dividend stocks, the Big Three telecommunications providers are a great place to start. And of the three, **BCE Inc.** (TSX:BCE)(NYSE:BCE) has the highest dividend yield at 4.8%.

This payout is rock solid for a number of reasons. First of all, Canadians' thirst for telecommunications services—especially mobile data—continues to grow at a steady pace. This leads to increased revenue for BCE as customers upgrade to more expensive phones and pay for more robust data packages.

Secondly, BCE faces very limited competition (despite the government's best efforts), and high barriers to entry ensure this will not change. Even with the emergence of Wind Mobile, BCE should continue generating steady income.

Finally, BCE has no international ambitions. This allows the company to pay out all of its income to shareholders. Investors can thus look to BCE for a solid payout.

2. CIBC

In most countries, banks are not exactly the best place to look for reliable dividends. But the Big Five Canadian banks haven't cut their dividends since World War II. That's quite an incredible streak, especially when considering all that *has* happened over this time.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) has the biggest dividend of any big Canadian bank; it currently yields 4.7%. To be fair, there are reasons for this big yield. CIBC is focused almost entirely on Canada, meaning that growth opportunities are limited, and the company is most vulnerable to our shaky economy. CIBC also has a checkered past, and some investors may have sworn off the company for good.

Meanwhile, there are some big positives. CIBC pays out less than half its net income to shareholders, meaning the dividend will still be affordable even if net income plummets. The bank is also extremely well capitalized, with a CET1 ratio of 10.8%, again tops among the big banks.

So, once again, if you’re looking for a solid dividend without sacrificing too much yield, this is a great option. For more quality dividend stocks, be sure to check out the free report below.

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
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