3 Rock-Solid Dividends Yielding at Least 4.7%

Description

When picking dividend stocks, choosing the highest-yielding names is a dangerous game to play. It's a lesson that many investors have learned over the past 12 months, mostly thanks to the energy sector.

But if you look hard enough, you can find safe dividends yielding close to 5%. Below are three examples.

1. CIBC: 4.7% yield

The Big Five banks are certainly facing their fair share of headwinds. The economy is in recession, and low interest rates are cutting into margins. Meanwhile, economists continue to worry about inflated house prices and high consumer debt levels.

These concerns are particularly relevant at **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). CIBC is the most Canada-focused of the Big Five banks, and it doesn't have a good track record of dealing with crises. Understandably, the bank's stock price has declined by 10% over the past year.

But throughout this time, CIBC has performed remarkably well. In its most recent quarter, the bank grew earnings per share by more than 10%, achieved a return on equity greater than 20%, and maintained its leading capital ratio.

Importantly, its dividend has increased to $1.12 per share, but still equals only about half of net income. So, there's very little danger of this payout being cut, especially considering the bank's strong capital position. The bank is a great option for any dividend investor.

2. BNS: 4.7% yield

Sticking with the banks, the past couple of years have been a struggle for **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS). Its businesses in the Caribbean have been struggling, and the weakness in commodity prices is threatening some of its other operations in Latin America. Consequently, the bank's shares have stayed virtually flat over the past two years, while the other Big Five bank stocks have increased by an average of 12%.

But BNS has steadily increased its earnings and its dividend throughout this time. And like CIBC, the bank pays out only about half its net income to shareholders. Once again, there's very little chance of a dividend cut.

3. BCE: 4.9% yield

BCE Inc. (TSX:BCE)(NYSE:BCE) is one of Canada's favourite dividend stocks, and for good reason. The company makes very steady revenues, aided in part by limited competition and a subscription-based pricing model. Furthermore, the company doesn't have any ambitions to grow internationally. This is the perfect scenario for paying a big, consistent dividend. Better yet, BCE has one of the top yields on the **S&P/TSX 60**.

For those of us who don't crave dividends, BCE may be a little too expensive, especially for a company with limited growth prospects. But if you're looking for some reliable quarterly income, this is likely the biggest yield you can get.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
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