



3 Big Dividends You Should Own Instead of Crescent Point Energy Corp.

Description

Even after slashing its payout last month, **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) has one of the highest yields on the **S&P/TSX 60**. So, it's only natural for dividend investors to be drawn to the stock.

But this dividend is still on shaky ground. According to portfolio manager Eric Nuttall, who owns Crescent Point shares, the company needs an oil price of roughly US\$55 to sustain the payout. This is well above the most recent oil price projections by **Goldman Sachs**.

Luckily, there are better options if you're looking for big dividends. We list three of your best options below.

1. BCE

If you're looking for safe dividends, the big three telecommunications providers are a great place to start. They operate in an industry with limited competition and high barriers to entry. They generate smooth revenue from subscription-based pricing. And they are benefiting from Canadians' increasing thirst for mobile data.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) stands out for its 4.8% yield, tops among the Big Three. And unlike Crescent Point, BCE doesn't have to rely on higher oil prices to afford this dividend. To illustrate, last year the company made roughly \$3 per share in income, which eclipses its \$2.60 annualized payout.

2. Bank of Nova Scotia

The Canadian banks have seen their share prices hammered recently as investors fret over lower oil prices and a shaky Canadian economy. **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has been hit particularly hard, with its shares sinking more than 20% in the past year.

But Bank of Nova Scotia has grown its earnings and its dividend over this time. As a result, its shares now yield a staggering 4.8%. Just over a year ago, the bank's yield was only 3.4%.

And here's the best part: Bank of Nova Scotia, like the other Big Five banks, only pays about half of net income to shareholders. This means the dividend will still be affordable even if earnings take a big hit. This certainly isn't the case over at Crescent Point.

3. TransCanada

Rounding out the list is **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)), the company best known for the Keystone XL pipeline controversy. But when looking beyond the heated debate, this company is one of Canada's best options for dividend investors.

To start, TransCanada's pipelines are secured by long-term contracts, leaving the company unexposed to commodity prices. And the demand for pipelines is only set to grow, given the current over-reliance on rail to move crude oil.

Like the other two companies on this list, TransCanada has a dividend yielding nearly 5%, and you should expect this dividend to keep growing. Also like BCE and Bank of Nova Scotia, TransCanada earns enough money to pay its dividend, something that separates the company from Crescent Point. It should certainly be on every dividend investor's radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:TRP (Tc Energy)
4. NYSE:VRN (Veren)
5. TSX:BCE (BCE Inc.)
6. TSX:BNS (Bank Of Nova Scotia)
7. TSX:TRP (TC Energy Corporation)
8. TSX:VRN (Veren Inc.)

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