

### 3 Diversified Dividend Picks to Start 2016

#### Description

The pullback in the stock market is giving dividend investors a rare opportunity to load up on top quality dividend stocks at very reasonable prices.

As energy investors learned in 2015, it is best to have exposure to a wide variety of sectors when picking stocks for long-term growth.

Here are the reasons why I think **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), **Fortis Inc.** ([TSX:FTS](#)), and **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) are good choices right now.

#### BCE

BCE commands a dominant position in an industry with limited competition. Consumers might not like it, but the situation is great for BCE's investors.

Over the past few years the company has built up an impressive asset portfolio all along the media and communications value chain. The core mobile, TV, and Internet subscription businesses are still the bread and butter of the operation, but BCE also owns sports franchises, radio stations, a television network, specialty channels, and an advertising company.

This is important because advertisers want broad-based exposure through a variety of platforms and media outlets. By owning all the pieces in the value chain, BCE can offer attractive packages.

BCE pays a quarterly dividend of \$0.65 per share that yields 4.9%. The dividend is very safe, and investors should see steady growth in the payout on an annual basis.

#### Fortis

Fortis owns and operates natural gas-distribution and electricity-generation assets in Canada, the U.S, and the Caribbean.

That doesn't sound very exciting, but boring and stable is a good place to be these days. Fortis gets about 96% of its revenue from regulated assets, and that means cash flow and earnings are predictable and reliable.

The stock offers investors a great way to play the strong U.S. dollar because Fortis gets more than 40% of its revenue from the U.S. operations.

Fortis recently increased its dividend by 10%. The quarterly distribution of \$0.375 per share yields about 4.1%.

#### TransCanada

You might wonder why TransCanada is on the list.

The nasty situation in the energy industry and the company's struggles to get its major pipeline projects built have knocked the stock down more than 20% over the past 12 months. With WTI oil prices stuck below US\$40 per barrel, most investors are giving any name connected to the sector a wide berth.

At some point, energy prices will rebound, and TransCanada has enough projects under development to carry it through the rough times. In fact, the company expects to have \$11 billion in new assets built and in service by 2018.

TransCanada pays a quarterly dividend of \$0.52 per share that yields 4.6%. The distribution looks very safe, and the stock has the potential to deliver some strong upside gains when the energy sector turns the corner.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:TRP (TC Energy Corporation)

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## Date

2025/09/12

## Date Created

2016/01/05

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