



These 2 Stocks Are the Kings of Dividend Increases

Description

As savvy investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top returners are those that increase their rates as often as possible. Well, there are no companies with longer active streaks of annual dividend increases than the two companies we are about to discuss, so let's take a quick look at each to determine which would fit best in your portfolio.

Fortis Inc.

Fortis Inc. ([TSX:FTS](#)) is one of the largest electric and gas utilities companies in North America, serving over three million customers in Canada, the United States, and the Caribbean. It currently pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, which gives its stock a 4.1% yield at today's levels.

Investors must also make two very important notes.

First, Fortis has raised its annual dividend payment for 43 consecutive years, and its 6.3% increase in December 2014 and its 10.3% increase in September 2015 puts it on pace for 2016 to mark the 44th consecutive year with an increase.

Second, the company is targeting annual dividend growth of approximately 6% through 2020, which would bring its streak of annual increases to 48, and I think it will extend this target or immediately announce a new growth target as 2020 nears.

Canadian Utilities Limited

Canadian Utilities Limited ([TSX:CU](#)) is one of the largest utilities and energy companies in North America with operations in pipelines, natural gas and electricity transmission and distribution, power generation and sales, and natural gas gathering, processing, storage, and liquid extraction. It currently pays a quarterly dividend of \$0.295 per share, or \$1.18 per share annually, which gives its stock a 3.8% yield at today's levels.

Investors should also make two very important notes.

First, Canadian Utilities has raised its annual dividend payment for 43 consecutive years.

Second, the company traditionally announces its dividend increases in the second or third week of January, so look for it to announce its increase for 2016 in the very near future.

Which of these dividend kings should you buy?

Fortis and Canadian Utilities are the undisputed kings of dividend increases. All Foolish investors should strongly consider making one of them a core holding today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:FTS (Fortis Inc.)

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