3 High-Yield, Low-Risk Stocks for Today’s Volatile Times

Description

In times of high volatility in the market, dividend stocks are sought after as safe havens, because they are less volatile than non-dividend-paying stocks and provide consistent streams of income regardless of which way the market goes. With this in mind, I selected three of my favourite dividend-paying stocks from three different industries, so let’s take a quick look at each to determine if you should buy one of them today.

1. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is the fifth-largest bank in Canada with approximately $463.3 billion in total assets. It pays a dividend of $1.15 per share quarterly, or $4.60 per share annually, which gives its stock a 5.4% yield at today’s levels.

Investors must also make three very important notes.

First, CIBC has raised its dividend for five consecutive quarters.

Second, it has increased its annual dividend payment for five consecutive years, and its recent increases puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Third, the company has a target dividend-payout range of 40-50% of its adjusted net earnings, so its consistent growth, including 4.5% year-over-year growth to an adjusted $3.82 billion in fiscal 2015, should allow its streak of annual increases to continue for the next several years.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust (TSX:REI.UN) is Canada’s largest REIT with ownership interests in 354 retail properties that total approximately 78 million square feet. It pays a distribution of $0.1175 per share monthly, or $1.41 per share annually, which gives its stock a 6.1% yield at today’s levels.

Investors should also note that RioCan has maintained its current dividend rate since 2013. However, I think its increased amount of funds from operations, including 6.6% year-over-year growth to an adjusted $372.4 million in the first nine months of fiscal 2015, and its low payout ratio, including 90.5% in the first nine months of fiscal 2015 compared to 92.8% in the same period a year ago, could allow it to increase its distribution within the next few months.

3. Cineplex Inc.

Cineplex Inc. (TSX:CGX) is Canada's largest owner and operator of movie theatres with 162 theatres across the country that serve approximately 74 million guests annually. It pays a dividend of $0.13 per share monthly, or $1.56 per share annually, which gives its stock a 3.3% yield at today's levels.

Investors must also note that Cineplex has raised its annual dividend payment for five consecutive years, and its 4% increase in May 2015 puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Which of these safe havens should you buy today?

Canadian Imperial Bank of Commerce, RioCan REIT, and Cineplex can add yield and reduce risk in your portfolio, both of which are essential in today's volatile times. All Foolish investors should take a closer look and strongly consider initiating positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CGX (Cineplex Inc.)
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4. TSX:REI.UN (RioCan Real Estate Investment Trust)

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