3 Dividend-Growth Stocks That Won't Let You Down

Description

Canadian investors are being reminded that markets can be volatile, but savvy savers with buy-and-hold strategies are not worried. In fact, they love this pullback.

Why?

Market corrections tend to present great buying opportunities, especially for quality dividend-growth stocks.

Here are the reasons why I think investors should consider **Telus Corporation** (TSX:T)(NYSE:TU), **Bank of Montreal** (TSX:BMO)(NYSE:BMO), and **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) right now.

Telus

Telus is the fastest-growing player in the Canadian telecom market. The stock has been under pressure recently as investors worry about new mobile competition from **Shaw Communications**.

The two companies already compete for TV and Internet customers in western Canada, and Shaw's planned acquisition of Wind Mobile will give it a mobile offering to match the services offered by Telus.

The market seems to be ignoring the fact that Telus is already holding its own against **Rogers** and **BCE**, so the addition of Shaw to the mix is unlikely to make a big difference.

Telus pays a quarterly dividend of $0.44 per share that yields 4.8%.

Bank of Montreal

Bank of Montreal tends to lie in the shadows of its larger peers, but investors should probably give the name more respect.

The bank's revenue stream is diversified across several segments of the market with strong operations in Canadian retail, wealth management, and capital markets. The company also has a growing operation in the U.S., which gives investors a great way to play the rising American dollar.

Bank of Montreal is Canada's oldest bank and has paid a dividend every year since 1829. That's a track record that investors can count on in difficult times. The stock offers a quarterly dividend of $0.84 per share that yields 4.7%.

Canadian National Railway

Canadian National Railway is one of those companies you can simply buy and forget about for decades. The railway enjoys a dominant and sustainable, competitive position and is run by one of the best management teams in the industry.

Dividend investors often skip Canadian National Railway because it only offers a yield of 1.7%, but the yield is only part of the story. Canadian National is actually dividend-growth juggernaut. The company raised the payout by 25% in 2015 and another juicy hike should be on the way this year.

The company also has an aggressive share-repurchase program. This benefits investors because every share that is bought back and canceled leaves a bigger piece of the pie for the remaining stockholders.

The stock has pulled back as a result of the slowdown in energy-related shipments, but Canadian National Railway gets its revenue from many segments of the economy, and weakness in one group tends to be offset by strength in another.

Like Bank of Montreal, Canadian National Railway is a good way to benefit from the strong greenback because the company originates a healthy part of its earnings in U.S. dollars.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TU (TELUS)
4. TSX:BMO (Bank Of Montreal)
5. TSX:CNR (Canadian National Railway Company)
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Date
2025/08/21
Date Created
2016/01/20
Author
aswalker