

3 Dividend-Growth Stocks With Yields of 3-5% to Buy Now

Description

If you're looking for a stock that has a high dividend yield and a track record of increasing its annual dividend payment, then look no further. I've scoured the market and selected three stocks from different industries that meet these criteria perfectly, so let's take a quick look at each to determine which would be the best fit for your portfolio.

1. Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada with approximately \$863.1 billion in total assets. It pays a quarterly dividend of \$0.70 per share, or \$2.80 per share annually, which gives its stock a yield of about 5% at today's levels.

It is also important to make two notes.

First, Bank of Nova Scotia has raised its annual dividend payment for five consecutive years, and its recent increases, including its 2.9% hike in August 2015, has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its consistent growth, including its 2.9% year-over-year growth to \$7.2 billion in fiscal 2015, will allow its streak of annual increases to continue for the next several years.

2. Methanex Corporation

Methanex Corporation ([TSX:MX](#))([NASDAQ:MEOH](#)) is one of the leading producers and suppliers of methanol to major international markets in North America, South America, Europe, and Asia Pacific. It pays a quarterly dividend of US\$0.275 per share, or US\$1.10 per share annually, which gives its stock a yield of about 3.8% at today's levels.

Investors must also note that Methanex has raised its annual dividend payment for five consecutive years, and its 10% hike in April 2015 has it on pace for 2016 to mark the sixth consecutive year with an increase.

3. TransForce Inc.

TransForce Inc. (TSX:TFI) is one of the leading providers of transportation and logistics services in Canada and the United States. It pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, which gives its stock a yield of about 3.2% at today's levels.

It is also important for investors to note that TransForce has raised its annual dividend payment for five consecutive years, and I think its increased amount of free cash flow, including its 19.7% year-over-year growth to \$291.5 million in fiscal 2015, will allow it to continue this streak in 2016.

Would one of these stocks fit well in your portfolio?

Bank of Nova Scotia, Methanex, and TransForce are three of the most attractive dividend-paying investment options in their respective industries. 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. NASDAQ:MEOH (Methanex Corporation)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:MX (Methanex Corporation)
5. TSX:TFII (TFI International)

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