

Love Dividends? You May Want to Buy These 3 Stocks

Description

As a dividend investor, I'm always on the lookout for stocks with high and safe yields that can boost my portfolio's returns. After a recent search of several industries, I came across three great stocks with yields of 3-6%, so I added them to my watch list. Let's take a quick look at each to determine if they belong on your watch list as well or if you should take it one step further by establishing a position in one of them today.

1. Parkland Fuel Corp.

Parkland Fuel Corp. ([TSX:PKI](#)) is one of North America's leading distributors and marketers of fuels and lubricants, including gasoline, diesel, propane, and heating oil. It pays a monthly dividend of \$0.0945 per share, or \$1.134 per share annually, which gives its stock a yield of about 5.3% at today's levels.

It is also important to make two notes.

First, Parkland has raised its annual dividend payment for three consecutive years, and its recent increases, including its 5% hike in March, has it on pace for 2016 to mark the fourth consecutive year with an increase.

Second, I think the company's ample distributable cash flow, including an adjusted \$1.47 per share in fiscal 2015, could allow it to announce another dividend hike in the second half of this year.

2. Sun Life Financial Inc.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is the third-largest insurance company in Canada with over \$891 billion in assets under management. It pays a quarterly dividend of \$0.39 per share, or \$1.56 per share annually, which gives its stock a yield of about 3.7% at today's levels.

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First, Sun Life raised its annual dividend payment by 4.9% in 2015 to \$1.51 per share, its first annual increase since 2008, and it is currently on pace for 2016 to mark the second consecutive year with an increase.

Second, the company has a medium-term target dividend-payout range of 40-50% of its underlying net income, so I think its very strong growth, including its 27% year-over-year increase to \$3.76 per share in fiscal 2015, could allow it to announce another dividend hike within the next few months.

3. Transcontinental Inc.

Transcontinental Inc. ([TSX:TCL.A](#)) is Canada's largest printer, and it is one of the country's leading providers of proximity media solutions. It pays a quarterly dividend of \$0.185 per share, or \$0.74 per

share annually, which gives its stock a yield of about 3.6% at today's levels.

It is also important to make two notes.

First, Transcontinental has raised its annual dividend payment for 14 consecutive years, and its recent increases, including its 8.8% hike in March, has it on pace for fiscal 2016 to mark the 15th consecutive year with an increase.

Second, I think the company's strong growth in cash flows from continuing operations, including its 37.8% year-over-year increase to \$34.3 million in its first quarter of fiscal 2016, could allow it to announce another dividend hike later this year.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:PKI (Parkland Fuel Corporation)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:TCL.A (Transcontinental Inc.)

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