



## 2 Rising Dividend-Growth Stocks I'd Buy With an Extra \$10,000

### Description

Investors are often on the lookout for beaten-up names that might offer a shot at some big capital gains, but those bets can be risky, and a “cheap” stock sometimes becomes a lot cheaper before it bottoms out.

Here are the reasons why I think **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Metro Inc.** ([TSX:MRU](#)) are worth a look despite their recent gains.

#### BCE

BCE is on a roll. The stock just topped \$60 per share and has more than doubled since the financial crisis.

Some analysts say the company is expensive and the flight to safe names will eventually unwind, but BCE remains a compelling long-term bet even at the current price.

Through a string of strategic acquisitions, the company has expanded from its telecom roots to become a communications and media powerhouse. BCE owns sports franchises, a television network, retail stores, radio stations, popular web portals, specialty channels, and an advertising business.

When you combine these assets with the world-class mobile and wireline infrastructure, you get a business that is so well entrenched all along the value chain in the Canadian market that it should dominate the sector for decades.

That might not impress consumers, but it is great news for investors.

BCE continues to invest billion in its infrastructure and the company's roll-out of high-speed fiber to Canadian homes should give it an added advantage over its competition.

The business generates a ton of free cash flow and BCE hikes the dividend on a regular basis. The stock isn't cheap at 20 times earnings, but investors who buy today can get a solid 4.5% yield from one of the safest bets in the market.

## Metro

If you live in Ontario or Quebec, the odds are pretty good that you put a bit of cash into the pockets of Metro's investors every week.

The company operates pharmacies and grocery stores in the two provinces and has done a great job of fending off competition while driving revenue and earnings higher.

Metro reported fiscal Q1 2016 net earnings of \$139.8 million, up 24.3% compared with the same period last year. Sales rose 4.3% and the company recently declared a quarterly dividend of \$0.14 per share, up 20% from a year ago.

Metro is a great holding because it sells the daily necessities of life, which means the business should continue to do well even if the economy goes into a nose dive. The company has both premium and discount stores that capture the market at all income levels, and people still have to eat and take their medication regardless of their financial situation.

Investors shouldn't be put off by the 1.3% yield because the dividend-growth rate is substantial and shareholders have enjoyed a respectable 165% gain in the stock price over the past five years.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:MRU (Metro Inc.)

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## Date

2025/09/22

## Date Created

2016/04/15

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