3 Quality Dividend Stocks to Consider Today

Description

Dividend stocks should be core holdings in every portfolio, because as history shows, they outperform their non-dividend-paying counterparts over the long term. With this in mind, let's take a look at three stocks with yields over 3% that you could buy today.

1. Great-West Lifeco Inc.

Great-West Lifeco Inc. (TSX:GWO) is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management, and reinsurance businesses. Its subsidiaries include The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, and Putnam Investments, LLC.

It currently pays a quarterly dividend of $0.346 per share, or $1.384 per share annually, which gives its stock a yield of about 4% at today's levels.

It's also important to make the following two notes.

First, Great-West's 6.1% dividend hike in February has it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

Second, I think the company's strong financial performance, including its 25.1% year-over-year increase in cash flows from operating activities to $1.37 billion in the first quarter of 2016, will allow its streak of annual dividend increases to continue for many years to come.

2. First Capital Realty Inc.

First Capital Realty Inc. (TSX:FCR) is one of the largest owners, developers, and managers of grocery-anchored commercial real estate in Canada with interests in 160 properties across four provinces that total approximately 24.8 million square feet.

It currently pays a quarterly dividend of $0.215 per share, or $0.86 per share annually, which gives its stock a yield of about 4.1% at today's levels.

It's also important to make the following two notes.

First, First Capital has raised its annual dividend payment for four consecutive years, but this streak will end if it does not announce a hike before the end of 2016.

Second, I think the company's strong growth of adjusted funds from operations (AFFO), including its 8.3% year-over-year increase to $0.26 per share in the first quarter of 2016, and its reduced payout ratio, including 82.7% of its AFFO in the first quarter compared with 89.6% in the year-ago period, will allow it to raise its dividend when it reports its second-quarter earnings results in late July or early August.

3. Keyera Corp.

Keyera Corp. (TSX:KEY) is one of the largest midstream energy companies in Canada, providing services such as natural gas gathering and processing, natural gas liquids fractionation, transportation, storage, and marketing, and iso-octane production and sales.

It currently pays a monthly dividend of $0.125 per share, or $1.50 per share annually, which gives its stock a yield of about 3.9% at today's levels.

It's also important to make the following two notes.

First, Keyera has raised its annual dividend payment for five consecutive years, and its two hikes since the start of 2015, including its 7% hike in March 2015 and its 8.7% hike in August 2015, have it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, I think the company's ample amount of distributable cash flow (DCF), including the $116.45 million it generated in the first quarter of 2016, and its conservative payout ratio, including 55.5% of its DCF in the first quarter, will allow its streak of annual dividend increases to continue for the next several years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FCR.UN (First Capital Real Estate Investment Trust)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:KEY (Keyera Corp.)

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Date
2025/08/18

Date Created
2016/05/23
Author
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