3 Dividend Dynamos to Add to Your Portfolio

Description

If you're a dividend investor with cash on hand that you're ready to put to use, then this article is for you. I've scoured the market and selected three quality stocks with high and safe yields of 3-5% and active streaks of annual increases, so let's take a quick look at each to determine if you should invest in one or more of them today.

1. Enbridge Inc.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is one of North America's largest owners and operators of energy infrastructure. Its assets include oil and gas pipelines, crude oil storage facilities, natural gas processing plants, wind farms, solar farms, and power transmission lines.

It currently pays a quarterly dividend of $0.53 per share, or $2.12 per share annually, which gives its stock a yield of approximately 4% at today's levels.

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

First, Enbridge's two dividend hikes since the start of 2015, including its 14% hike in December, have it on pace for 2016 to mark the 21st consecutive year in which it has raised its annual dividend payment.

Second, the company has an annual dividend-per-common-share growth target of 14-16% through 2019, and I think its very strong growth of adjusted cash flow from operations, including its 33.7% year-over-year increase to $1.27 per share in the first quarter of 2016, will allow it to achieve this target and extend it beyond 2019.

2. Laurentian Bank of Canada

Laurentian Bank of Canada (TSX:LB) is one of the largest financial institutions in eastern Canada. It currently has over $40 billion in assets and more than 200 bank branches, commercial banking centres, and brokerage offices.

It currently pays a quarterly dividend of $0.58 per share, or $2.32 per share annually, which gives its stock a yield of approximately 4.7% at today’s levels.

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

First, Laurentian Bank’s two dividend hikes since the start of 2015, including its 3.6% hike in December, have it on pace for 2016 to mark the ninth consecutive year in which it has raised its annual dividend payment.

Second, the company has kept its dividend payout ratio close to 40% of its adjusted net income over the last several years, so I think its consistent growth, including its 5.3% year-over-year increase to $1.39 per share in its first quarter of 2016, will allow its streak of annual dividend increases to continue going forward.

3. Transcontinental Inc.

Transcontinental Inc. (TSX:TCL.A) is Canada’s largest printer with operations in print, flexible packaging, publishing, and digital media.

It currently pays a quarterly dividend of $0.185 per share, or $0.74 per share annually, which gives its stock a yield of approximately 3.9% at today’s levels.

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

First, Transcontinental’s two dividend hikes since the start of 2015, including its 8.8% hike in March, have it on pace for 2016 to mark the 15th consecutive year in which it has raised its annual dividend payment.

Second, I think the company’s strong growth of cash flows from continuing operations, including its 37.8% year-over-year increase to $34.3 million in its first quarter of 2016, and its low payout ratio, including just 38.5% of its cash flows in the first quarter, will allow its streak of annual dividend increases to continue for many years to come.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:LB (Laurentian Bank of Canada)
4. TSX:TCL.A (Transcontinental Inc.)

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