



Income Investors: 2 Stocks to Consider for 2017

Description

Dividend investors are always searching for top picks to add to their income portfolios.

Let's take a look at **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) to see why they might be interesting right now.

Sun Life

Sun Life had a tough run during the financial crisis, but the stock has bounced back in recent years and is positioned well for growth.

Management sold off the troublesome U.S. annuities business and has focused new investments in the country on fee-based assets. Several acquisitions have already been made inside the new Sun Life Investment Management group, which held \$51 billion in assets at the end of Q3 2016.

Sun Life is also betting big on Asian growth. The company has expanded its investments in India, Vietnam, Indonesia, and Hong Kong this year, and investors should see the region continue to perform well as middle-class wealth expands.

Higher interest rates in the United States are expected to help the entire insurance sector in 2017. If the Fed actually sticks to its plan, Sun Life and its peers could catch an additional tailwind as analysts begin to upgrade the group.

Sun Life raised its dividend four times in the past two years. The current payout yields 3.25%.

If you are looking for a financial stock, but are concerned about housing exposure at the banks, Sun Life is an attractive alternative.

BCE

BCE is a dominant force in the Canadian communications industry, and that situation is unlikely to change.

In recent years, BCE has moved into the media space, acquiring a television network, specialty channels, radio stations, sports teams, and an advertising business. The company also owns retail outlets.

When you combine these businesses with the world-class mobile and wireline networks, you get a powerful company that interacts with most Canadians on a weekly, if not daily, basis. The acquisition of **Manitoba Telecom Services** is moving along well, and the deal, when completed, will provide a strong base for an extended push into western Canada.

The stock has come under pressure recently as investors fret about the impact of rising interest rates on telecom stocks, but the sell-off might be a bit overdone.

BCE's quarterly dividend now yields 4.7%.

Which is a better bet?

Both stocks are attractive buy-and-hold picks and deserve to be in any income portfolio.

If you simply want the best yield, go with BCE. Otherwise, I think Sun Life probably offers better growth prospects right now.

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2. TSX:BCE (BCE Inc.)
3. TSX:SLF (Sun Life Financial Inc.)

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