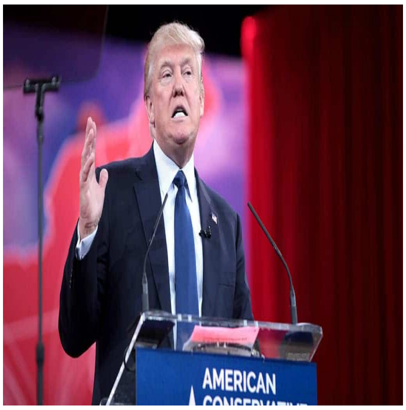

2 Dividend Stocks to Buy Before Trump Takes Office

Description

Market watchers are concerned there might be a sell-off once Donald Trump takes control of the White House.

The possibility is certainly worth considering, as markets have rallied in the wake of his election win, doing the exact opposite of what most pundits expected.

So, we could be looking at a modified case of “buy the rumour, sell the news.”

Given the extent of the run-up in the past two months, a pullback is warranted, regardless of whether or not Trump’s inauguration will be the trigger.

With this thought in mind, let’s take a look at **Fortis Inc.** (TSX:FTS)(NYSE:FTS) and **Shaw Communications Inc.** (TSX:SJR.B)(NYSE:SJR) to see why they might be interesting picks for dividend investors right now.

Fortis

Fortis owns natural gas distribution, electricity generation, and power transmission assets in Canada, the United States, and the Caribbean.

The company has focused much of its new investment on the U.S. over the past three years, including the US$4.5 billion purchase of UNS Energy and the recent US$11.3 acquisition of ITC holdings Corp., which is the largest independent transmission company in the United States.

With these new additions, Fortis now has 60% of its assets located in the United States, giving investors a great opportunity to benefit from a balanced revenue stream and take advantage of the strong American dollar.

Fortis has raised its dividend every year for more than four decades and plans to increase the payout by at least 6% per year through 2021. The current payout provides a yield of 3.9%.

If you are looking for a strong dividend-growth stock that holds up well in choppy markets, Fortis should be on your radar.

People will continue to turn on the lights and heat their homes, even if Trump upsets China or rips up NAFTA.

Shaw

Shaw had a busy 2016.

The company entered the mobile space through its purchase of Wind Mobile in a move that came as a surprise to many pundits who have followed the stock for some time.

Shaw had consistently said it was not interested in spending the billions needed to compete in the crowded segment.

What changed?

Management finally realized that Canadians like to get their TV, internet, and mobile services from a single provider under a package plan. Not having the mobile offering was a competitive disadvantage for Shaw as it tried to compete for internet and TV subscribers.

In order to help pay for the Wind Mobile deal and finance the required network expansion, Shaw sold its media business to **Corus Entertainment**.

Looking ahead, Shaw is now positioned to compete on an equal playing field with its peers.

The mobile business is already doing well, and Shaw should be able to stem some of the losses from the cable business while attracting new internet subscribers by offering enticing mobile deals as an incentive.

The stock has enjoyed a nice surge in the past six months, but it still trades well below the 2015 high.

Shaw’s monthly dividend is safe and provides a decent 4.25% yield.

Is one more attractive?

At this point, both stocks are solid dividend picks to hold through a possible unsteady market.

If you want strong U.S. utility exposure with regular dividend hikes, go with Fortis. Otherwise, Shaw is a good name to buy today as a safe, domestic pick.

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2. NYSE:SJR (Shaw Communications Inc.)
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Date
2025/09/08
Date Created
2017/01/11
Author
aswalker