



2 S&P/TSX 60 Constituents Just Did This: Time to Buy?

Description

Earnings season is in full swing, and not only is it a great time to see the most up-to-date financials of the world's largest companies, but it's also the most popular time for companies to raise their dividends. With this in mind, let's take a look at two S&P/TSX 60 constituents that raised their dividends on Thursday, so you can determine if you should add one of them to your portfolio today.

Thomson Reuters Corp.

Thomson Reuters Corp. ([TSX:TRI](#))(NYSE:TRI) is the world's leading source of intelligent information for businesses and professionals. Intelligent information is "a unique synthesis of human intelligence, industry expertise, and innovative technology that provides decision-makers with the knowledge to act, enabling them to make better decisions faster."

In its fourth-quarter earnings release on Thursday, February 9, Thomson Reuters announced a 1.5% increase to its quarterly dividend to US\$0.345 per share, representing US\$1.38 per share on an annualized basis, and this gives its stock a yield of about 3.2% at today's levels. The first quarterly payment at this increased rate will be made on March 15 to shareholders of record at the close of business on February 23.

Impressively, this dividend hike puts Thomson Reuters on pace for 2017 to mark the 24th consecutive year in which it has raised its annual dividend payment, which is good for the fourth-longest active streak for a public corporation in Canada.

I think Thomson Reuters's dividend will continue to grow in the years ahead as well. I think its very strong growth of free cash flow, including its 24.6% year-over-year increase to US\$1.8 billion in 2015 and its 12.3% year-over-year increase to US\$2.02 billion in 2016, will allow its streak of annual dividend increases to continue for another decade at least.

Manulife Financial Corp.

Manulife Financial Corp. ([TSX:MFC](#))(NYSE:MFC) is one of the world's largest financial services groups with approximately \$977 billion in assets under management as of December 31, 2016. It

provides financial advice, insurance, and wealth and asset management solutions to individuals, groups, and institutions.

In its fourth-quarter earnings release on Thursday, February 9, Manulife announced a 10.8% increase to its quarterly dividend to \$0.205 per share, representing \$0.82 per share on an annualized basis, and this brings its stock's yield up to about 3.35% today. The first quarterly installment at this increased rate is payable on and after March 20 to shareholders of record at the close of business on February 22.

Like Thomson Reuters, Manulife has shown a dedication to growing its dividend, and this hike has it positioned for 2017 to mark the fourth consecutive year in which it has raised its annual payment.

I think Manulife's dividend-growth potential is very promising going forward too. I think its very strong financial performance, including its 16.7% year-over-year increase in core earnings to \$1.96 per share in 2016, and its continued growth of assets under management that will help fuel future earnings growth, including its 4.5% year-over-year increase to \$977 billion in 2016, will allow its streak of annual dividend increases to continue through 2020 at the very least.

Should you prefer one to the other?

Thomson Reuters and Manulife Financial both offer high, safe, and growing dividends, making them strong buys in my opinion. With this being said, I do not prefer one to the other, so I would either buy both or flip a coin to decide between them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:TRI (Thomson Reuters)

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Author

jsolitro

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