



These 2 Canadian Giants Just Raised Their Dividends

Description

Two of Canada's largest public companies just made very shareholder-friendly moves and raised their dividends. Let's take a closer look at each, so you can decide if you should invest in one or both of them today.

TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of North America's largest owners and operators of large-scale, long-life energy infrastructure assets, including natural gas and crude oil pipelines, natural gas-storage facilities, and power-generation facilities.

In its fourth-quarter earnings release on February 16, TransCanada announced a 10.6% increase to its quarterly dividend to \$0.625 per share, representing \$2.50 per share on an annualized basis, and this brings its yield up to about 4% today.

Investors should also make the following three notes about TransCanada's new dividend.

First, the first quarterly installment at the increased rate is payable on April 28 to shareholders of record at the close of business on March 31.

Second, this dividend hike has TransCanada positioned for 2017 to mark the 17th consecutive year in which it has raised its annual dividend payment.

Third, it expects to grow its annual dividend payment by 8-10% through 2020, so investors can continue to rely on it for a growing dividend stream in the years ahead.

Industrial Alliance Insurance and Financial Services Inc.

Industrial Alliance Insur. & Fin. Ser. ([TSX:IAG](#)) is one of Canada's leading providers of financial products and services, including life and health insurance, savings and retirement plans, mutual and segregated funds, securities, auto and home insurance, mortgages, and car loans.

In its fourth-quarter earnings release on February 16, Industrial Alliance announced a 9.4% increase to its quarterly dividend to \$0.35 per share, representing \$1.40 per share on an annualized basis, and this brings its stock's yield up to about 2.4% today.

It's also important to make the follow three notes about Industrial Alliance's dividend.

First, the first quarterly payment at the increased rate will be made on March 15 to shareholders of record at the close of business on February 28.

Second, this dividend hike has Industrial Alliance on pace for 2017 to mark the fourth consecutive year in which it has raised its annual dividend payment.

Third, it has a target dividend-payout range of 25-35% of its net earnings, so I think its strong growth, including its 45.4% year-over-year increase to \$5.19 per share in 2016, will allow its streak of annual dividend increases to continue through 2020 at the very least.

Which is the better buy today?

I think TransCanada and Industrial Alliance both represent fantastic long-term investment opportunities, but if I had to choose just one for my portfolio, I'd go with TransCanada, because it has a much higher yield and a defined dividend-growth target.

CATEGORY

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2. Investing

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