



3 Great Dividend Stocks for Your TFSA

Description

Tax-Free Savings Accounts (TFSAs) offer Canadians who are 18 and older the opportunity to set money aside and earn investment income without having to worry about the taxman, even when it's withdrawn.

Dividend stocks are ideal investment options for your TFSA, so let's take a closer look at three that you could buy right now.

Vermilion Energy Inc.

Vermilion Energy Inc. ([TSX:VET](#))([NYSE:VET](#)) is a global independent exploration and production (E&P) company with leading positions in Europe, North America, and Australia; it's also the largest oil producer in France.

It pays a monthly dividend of \$0.215 per share, equal to \$2.58 per share annually, giving it a 6.3% yield.

Investors must also make the following two notes about Vermilion's dividend.

First, it has paid monthly dividends uninterrupted and without reduction since September 2003, and it has maintained its current monthly rate since January 2014.

Second, I think the company's very strong generation of fund flows from operations (FFO) despite volatile commodity prices, including its 45.8% year-over-year increase to \$1.21 per share in the first quarter of 2017, its projected 19% year-over-year increase to \$5.25 per share in the full year of 2017, and its projected 1.9% year-over-year increase to \$5.35 per share in the full year of 2018, will allow it to continue to maintain its current annual dividend rate for decades.

Rogers Communications Inc.

Rogers Communications Inc. ([TSX:RCI.B](#))([NYSE:RCI](#)) is one of Canada's largest diversified communications and media companies and the country's largest wireless provider.

It pays a quarterly dividend of \$0.48 per share, equal to \$1.92 per share annually, and this gives it a 3.1% yield today.

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

First, Rogers has raised its annual dividend payment 11 times in the last 12 years, which includes a streak of 11 consecutive years that ended in 2016.

Second, I think its steady growth of free cash flow, including its 1.7% year-over-year increase to \$1.71 billion in 2016 and its projected 2-4% year-over-year increase in the full year of 2017, will allow it to announce another dividend increase before the end of the year.

Emera Inc.

Emera Inc. ([TSX:EMA](#)) is a North American utility company that generates, transmits, and distributes electricity and natural gas, and provides utility energy services. It has assets in Canada, the United States, and four Caribbean countries, and its affiliate companies include Tampa Electric, Nova Scotia Power, Peoples Gas, Emera Maine, Barbados Light & Power, and New Mexico Gas.

Emera pays a quarterly dividend of \$0.5225 per share, equal to \$2.09 per share annually, which gives it a 4.3% yield today.

Investors must also make the following two notes about Emera's dividend.

First, it has raised its annual dividend payment for 10 consecutive years, including a compound annual growth rate of about 8.8% from 2010 to 2016, and its 10% hike in July 2016 has it positioned for 2017 to mark the 11th consecutive year with an increase.

Second, Emera has a dividend-growth target of 8% annually through 2020, and I think its strong operational performance will allow it to complete this program and either extend it or announce a new program as 2020 nears.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:VET (Vermilion Energy)
3. TSX:EMA (Emera Incorporated)
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