

3 Excellent Dividend Stocks for Your RRSP

Description

Opening and contributing to a Registered Retirement Savings Plan (RRSP) is a great way to set money aside for retirement, and deductible contributions can help reduce your taxes. High-quality dividend stocks are ideal investment options for RRSPs, so let's take a quick look at three that you could buy right now.

Genworth MI Canada Inc.

Genworth MI Canada Inc. (TSX:MIC) is the parent company of Genworth Financial Mortgage Insurance Company Canada, which is the country's largest private residential mortgage insurer. As of March 31, it had about \$6.7 billion in assets.

Genworth currently pays a quarterly dividend of \$0.44 per share, equal to \$1.76 per share annually, which gives it a 4.9% yield today.

Investors must make the following two notes.

First, the company has raised its annual dividend payment for seven consecutive years, and its 4.8% hike in November has positioned it for 2017 to mark the eighth consecutive year with an increase.

Second, Genworth has a target dividend-payout range of 35-45% of its net operating income (NOI), so I think its continued NOI growth, including its 3.5% year-over-year increase to \$388 million in 2016 and its 17.6% year-over-year increase to \$107 million in the first quarter of 2017, will allow its streak of annual dividend increases to continue going forward.

Choice Properties REIT

Choice Properties Real Est Invstmnt Trst ([TSX:CHP.UN](#)) is one of the largest owners, managers, and developers of commercial real estate in Canada. Its portfolio currently consists of 536 retail, industrial, office, and development properties located across every province that total about 43.7 million square feet of gross leasable area.

Choice Properties currently pays a monthly distribution of \$0.06167 per unit, equal to \$0.74 per unit annually, giving it a 5.35% yield today.

It's important to make the following two notes.

First, Choice has paid monthly distributions uninterrupted and without reduction since August 2013, and it has raised its distribution three times since the start of 2016, putting it on pace for 2017 to mark the second consecutive year in which it has raised its annual distribution.

Second, I think the company's consistently strong growth of funds from operations, including its 5.4% year-over-year increase to \$410.14 million in 2016 and its 5.9% year-over-year increase to \$108.84

million in the first quarter of 2017, will allow its streak of annual dividend increases to continue for many years into the future.

TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of the largest owners, operators, and developers of energy infrastructure in North America. Its portfolio of assets includes 56,900 miles of natural gas pipelines that tap into virtually every major basin, natural gas storage facilities with approximately 653 billion cubic feet of capacity, 2,700 miles of crude oil pipelines, and 16 power-generation facilities that are capable of generating approximately 10,100 megawatts of electricity.

TransCanada currently pays a quarterly dividend of \$0.625 per share, equal to \$2.50 per share annually, giving its stock a 4% yield today.

Investors must make the following two notes.

First, TransCanada has raised its annual dividend payment for 16 consecutive years, including a compound annual growth rate of about 7% in that span, and its 10.6% hike in February has it positioned for 2017 to mark the 17th consecutive year with an increase.

Second, the company has a dividend-growth program in place that calls for annual growth of 8-10% through 2020, and I think its consistently strong growth of comparable distributable cash flow, including its 2.9% year-over-year increase to \$3.67 billion in 2016 and its 25.5% year-over-year increase to \$1.22 billion in the first quarter of 2017, will allow it to complete this program and announce a new one that extends into the late 2020s or early 2030s.

CATEGORY

1. Dividend Stocks
2. Investing

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