



3 High-Yield Canadian Dividend Stocks for Income Investors

Description

Canadian investors are searching for reliable dividends to boost the returns they get on their savings.

Let's take a look at **Russel Metals Inc.** ([TSX:RUS](#)), **Inter Pipeline Ltd.** (TSX:IPL), and **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) to see why they might be interesting picks.

Russel Metals

Russel Metals is a major player in the North American metals distribution industry with operations including metals service centres, steel distributors, and energy products.

The stock took a hit during the worst part for the oil downturn, but things are improving. In fact, the company's Q2 2017 numbers came in much better than the same time last year.

Management kept the dividend steady during the downturn, and investors who had the courage to buy at the lows are sitting on some serious gains today.

The quarterly dividend of \$0.38 per share provides a yield of 5.9%.

IPL

IPL owns natural gas liquids (NGL) extraction assets, conventional oil pipelines, oil sands pipelines, and a liquids storage business in Europe.

The company continues to deliver solid quarterly results, and management has taken advantage of the downturn in the oil sector to acquire strategic assets at attractive prices.

The payout ratio in Q2 was about 73%, so the distribution should be safe, even if cash flow remains at current levels.

IPL's stock is down amid the broader sell-off in the energy sector. The pullback might be a bit overdone, and, at the time of writing, investors can pick up a yield of 7%.

CIBC

CIBC is trading at a significant discount to its bank peers.

Why?

The market is concerned the company is too exposed to a potential meltdown in the Canadian housing market. A major crash would likely hit CIBC harder than the other banks, but things would have to get really bad before CIBC takes a serious hit.

In fact, the company said last year that it would incur mortgages losses of less than \$100 million in the event house prices fell 30% and Canadian unemployment hit 11%. To put things in perspective, the mortgage book is larger than \$200 billion.

The company is well capitalized, and the dividend should be very safe, even if the housing market hits a serious rough patch.

Management can't be overly concerned about the revenue stream, as CIBC just increased the quarterly payout. The stock provides an annualized yield of 4.9%.

The bottom line

All three companies offer attractive dividends. An equal investment in each one would generate a return of about 6% at the current stock prices.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:RUS (Russel Metals)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/09/13

Date Created

2017/08/31

Author

aswalker

default watermark

default watermark