2 Attractive Dividend Stocks for Your Portfolio Today

Description

One simple way to become wealthy is to buy low and sell high (or hold on to great businesses). However, it's not so easy to actually do this in real life. Instead, investors tend to sell low and buy high.

Well, now is the time to consider these attractive dividend-growth stocks, which offer yields of as high as 4.9% after their substantial pullbacks. In fact, they're priced near their 52-week lows.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) shares are trading at roughly a 17% discount from the 52-week high and 1.3% above the 52-week low.

Cineplex Inc. (TSX:CGX) stock is trading at about a 30% discount from its 52-week high, and last week it popped ~4.8%, which may indicate it is too cheap to be ignored. The stock is currently ~7.2% above its 52-week high.

Here's why these stocks will continue to grow their dividends and have strong upside potential.

Enbridge

After merging with Spectra Energy, Enbridge has become the largest energy infrastructure company in North America and is more diversified than before.

Its portfolio consists of gas and liquids pipelines, gas processing, storage, and distribution assets, and power-generation assets.

The combined company also has $26 billion of secured growth projects and $48 billion of potential future projects, which will help fuel its cash flow growth and dividend growth.

Enbridge has increased its dividend for 21 consecutive years. With visible growth, management aims to hike its dividend per share by 10-12% per year. At ~$49.80 per share, you'll get a 4.9% yield to start.

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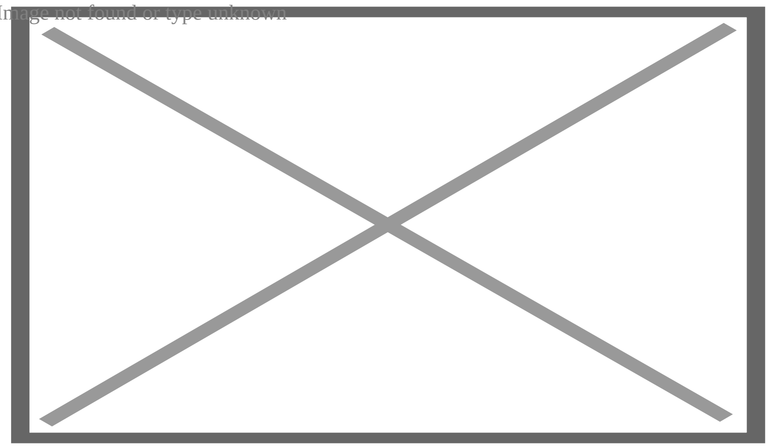

Cineplex

Cineplex stock came out with a bad quarter. The company has ~78% of Canada’s box office market share. However, I do not think people will stop going to the theatres.

Moreover, Cineplex’s SCENE loyalty program allows the members to get additional discounts and earn points towards free movies or free meals at its partner restaurants.

Most importantly, management recognizes the need to diversify and has opened three locations of The Rec Room so far, and one is under construction. The locations offer dining, live entertainment, and amusement gaming experiences all in one place; they’re great for socializing and family outings.

Cineplex is also forming an exclusive partnership with Topgolf. Topgolf has listened to its customers and is expanding into Canada during the next few years. Its venues will be the destinations for entertainment, socializing, and golf in any season. And Cineplex will be managing the venues’ day-to-day operations.

Cineplex’s dividend growth tends to at least match the pace of inflation. At the recent price of under $37 per share, you’ll get a ~4.5% yield to start and growth potential as the company branches out into new lines of businesses.

Investor takeaway

The recent Street consensuses from **Thomson Reuters** indicates a mean 12-month target of $62.30 per share for Enbridge and $48.90 for Cineplex. These represent upside potential of ~25% and ~32%, respectively, in the near term. Investors buying low in these quality stocks today should do well for the next few years.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:ENB (Enbridge Inc.)

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1. Msn
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