



Warm Up in Autumn With 4 Canadian Utilities Yielding up to 4.5%

Description

As we head into the fall and winter months, it is a good time to revisit Canadian utilities. A mild summer brought in disappointing earnings for some utilities. The last two winters in Canada have boasted warmer temperatures, so it remains to be seen if utility companies will see a spike in the colder months to make up for the slow summer.

Let's take a look at some Canadian utility stocks that offer dividends to warm up investors.

Canadian Utilities Limited ([TSX:CU](#)) is a Calgary-based company with business divisions in power generation, utilities, and global energy services. The company released its second-quarter results on July 27. It posted net earnings of \$129 million, which was down from \$131 million in Q2 2016, although earnings were dragged down by a regulatory decision that hurt adjusted earnings.

Shares have increased 7.5% in 2017. The company announced a 10% increase in declared dividends from 2016 to \$0.36 per share, representing a 3.7% dividend yield.

Hydro One Ltd. ([TSX:H](#)) serves Ontario as an electricity transmission and distribution utility company. A recent deal that is set to close in 2018 will bring several hundred thousand consumers in the U.S. into Hydro One's orbit. The company announced its second-quarter results on August 8. President and CEO Mayo Schmidt cited the mild summer temperature as a reason for the decline in earnings per share to \$0.20 from \$0.26 in Q2 2016.

Hydro One stock has fallen 3.5% in 2017. It hiked its quarterly dividend 5% to \$0.22 per share, representing a dividend yield of 3.8%.

Emera Inc. ([TSX:EMA](#)) is a Halifax-based energy and services company with over \$10 billion in assets. The company reported its second-quarter earnings on August 10. Net income fell to \$101 million from \$208 million in the second quarter of 2016. Year to date, Emera has reported \$413 million in net income compared to \$252 million at the midway point in 2016. President and CEO Chris Huskison praised the enhanced earnings power shown that was less susceptible to seasonality.

Emera stock has risen 4.3% in 2017 near close on September 11. The stock boasts a dividend of

\$0.52 per share at a dividend yield of 4.4%.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is a utility company based in St. John's which operates in Canada, the United States, Central America, and the Caribbean. The company released its second-quarter results on July 28. Fortis posted net income of \$257 million compared to \$107 million in Q2 2016. Contrary to Hydro One, Fortis actually saw earnings benefit from weather patterns as well as a rate case settlement. Fortis also reported lower corporate and other expenses due to transaction costs associated with recent acquisitions.

Fortis stock has increased 9.4% in 2017. The stock offers a dividend of \$0.40 per share, representing a dividend yield of 3.5%.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. NYSE:FTS (Fortis Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:EMA (Emera Incorporated)
4. TSX:FTS (Fortis Inc.)
5. TSX:H (Hydro One Limited)

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