



## Retired? 3 Stocks You Might Want to Buy

### Description

When you retire, you need to have income sufficient to replace your salary to maintain your lifestyle. Despite the recent interest rates hikes, bond yields are still pretty anemic. You need to have a return high enough to overcome inflation, so you don't lose your purchasing power, and you need some growth, so you won't run out of money during your retirement.

Financial stocks and telecommunications stocks are good choices, since they pay high dividends, and you can also profit from some price appreciation.

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is a good stock for retirees. It pays the highest dividend among the Big Five banks with a dividend yield of 4.6%.

CIBC is raising its dividend regularly. It increased it a few weeks ago to \$1.30 per share quarterly, up 2.4% from the last dividend paid. Over the last five years, CIBC has raised its dividend by 38.3%. The share price of CIBC did really well too, showing a compound annual growth rate of return of 11.12% over the last five years.

CIBC reported a better-than-expected third quarter 2017.

Net income fell by 23.9% to \$1,097 million compared to \$1,441 million for the third quarter a year ago. Net income rose by 4.5% from \$1,050 million in the last quarter. Adjusted net income was up by 8.8% to \$1,166 million compared with \$1,072 million for the third quarter a year ago.

Adjusted diluted EPS came in at \$2.77 compared with \$2.67 for the third quarter a year ago. CIBC's return on equity is 17.87%, and its shares are trading at a P/E of 10, which is low.

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is a great choice in the telecommunications sector. The largest Canadian telecom company pays a quarterly dividend that is increased every year. The current dividend is \$0.7175 per quarter, which gives a yield of 4.8%. The last rise occurred during BCE's Q4 2016 in February of this year, when it raised its dividend by 5.1%. Over the last five years, BCE has raised its dividend by 26.4%.

The telecommunications company's share price has a compound annual growth rate of return of 10.87% over five years.

BCE's operating revenue was up by 6.7% to \$5.7 billion in its 2017 second quarter, driven by growth in its wireless segment. Net earnings decreased by 2.3% to \$811 million, while net earnings attributable to common shareholders totaled \$762 million, or \$0.84 per share, down 2.1% and 5.6%, respectively, due to increased net depreciation and amortization expenses, higher interest expenses, and lower other income.

BCE's return on equity is 20.96%, and its shares are trading at a P/E of 18.1.

**CI Financial Corp.** ([TSX:CIX](#)), a wealth management company, is another interesting stock for a retiree. With this stock, you'll get a monthly dividend of \$0.1175, giving you a yield of 5.1%. A monthly dividend is convenient if you need a constant and regular source of income.

CI Financial raises its dividend every year. The last rise was in February, when the company raised its monthly dividend by 2.2%. Over the last five years, the wealth management company has raised its dividend by 47%. Its share price has a compound annual growth rate of return of 7.76% over five years.

CI Financial reported a second-quarter profit of \$96.3 million, or \$0.37 per share, down from \$128.6 million, or \$0.47 per share, a year ago.

On an adjusted basis, CI Financial earned \$141.3 million, or \$0.54 per share, up from \$128.6 million, or \$0.47 per share, in the same quarter last year.

CI Financial has agreed to buy Sentry Investments Corp. in a deal worth about \$780 million, adding to its portfolio of mutual funds.

CI Financial's assets under management will rise by 16% to \$140 billion when the deal closes around September 29. Sentry will remain a standalone brand, offering more than 45 mutual funds to the Canadian market. CI Financial will pay \$230 million of the purchase price in cash and the balance in shares.

CI Financial's return on equity is 28.17%, and its shares are trading at a P/E of 14.7.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BCE (BCE Inc.)
4. TSX:CIX (CI Financial)
5. TSX:CM (Canadian Imperial Bank of Commerce)

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