Exploit the Bargains in These Absolutely Attractive Dividend Stocks

Description

If you're looking for safe dividends, bargains, and attractive growth, you've come to the right place.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) offers an above-average yield and aims to grow its dividend at a double-digit rate. Moreover, the stock is priced at a nice discount.

There aren't that many technology stocks to invest in on the Toronto Stock Exchange, but **Open Text Corp.** (TSX:OTEX)(NASDAQ:OTEX) certainly looks compelling after a meaningful pullback.

The technology firm has increased its dividend by ~15% per year in the last few years. Based on its growth potential, it should be able to do something similar for the next few years.

Enbridge

Enbridge is a rare find for having increased its dividend per share (DPS) for 21 consecutive years with a 10-year dividend growth rate of 13.9%.

The company is a North American leader in delivering energy. After combining with Spectra Energy Corp., Enbridge has become more diversified, has expanded its reach, and has augmented its growth potential.

The energy infrastructure company now has a nice, balanced, diversified portfolio for transporting and distributing crude oil and natural gas in addition to its growing fleet of renewable energy facilities.

With a unique program of $27 billion of secured growth projects and $48 billion of additional projects, management is confident about the company’s future and the safety of its dividend.

In fact, through 2024, management aims to grow Enbridge’s DPS by 10-12% per year. At $51.50 per share, Enbridge has nearly 21% upside potential according to the Street consensus from **Thomson Reuters**, which has a 12-month mean target of $62.30 on the stock.

Open Text

Open Text is an outstanding technology investment opportunity. Now is a good time to pick up some shares, as they have experienced a meaningful pullback of ~15% from the recent high. Some of that dip has to do with a stronger loonie against the greenback as the company reports in the U.S. dollar.

Open Text has been expanding its Enterprise Information Management offerings and now has an addressable market of about US$35 billion, while it achieved revenue of US$2.29 billion last year.

Management knows where to allocate capital. Since fiscal 2011, it has maintained a return on equity of at least 11% every year. A big part of the company's growth strategy is by making accretive acquisitions. By the end of fiscal 2017 (which ended in June), it closed 57 acquisitions.

Open Text is a relatively young dividend-growth company, having increased its dividend for three consecutive years. From the look of things, it is capable and willing to continue growing its dividend at a double-digit rate.

In summary

Enbridge and Open Text are attractive investments for double-digit rate dividend growth for at least the next few years. Moreover, they have double-digit upside potential in the next 12 months as well because of their discounted valuations.

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1. Dividend Stocks
2. Energy Stocks
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