

## Income Investors: 3 High-Yield Stocks With Growing Dividends

### Description

Income investors are always searching for reliable stocks that offer growing dividends with above-average yields.

Let's take a look at three companies that might be attractive today.

#### **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#))

CIBC is trading at a discount to its peers due to concerns the bank is overexposed to the Canadian housing market.

It's true that CIBC would probably be hit harder than the larger banks if house prices fell off a cliff, but the market is expected to pull back at a measured pace, and CIBC is more than capable of riding out a downturn.

In an effort to diversify the revenue stream, CIBC recently made two acquisitions in the United States. This should help ease investor concerns.

Management raised the dividend when the fiscal Q3 2017 results came out, so CIBC can't be overly concerned about the revenue or earnings outlook.

The stock has recovered in recent weeks, but investors can still pick up a solid 4.6% yield.

#### **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#))

The acquisition of Manitoba Telecom Services earlier this year launched BCE to top spot in the Manitoba market and gave the company a strong base to expand its presence in the western provinces.

BCE isn't going to shoot the lights out on the growth front, but the company continues to deliver solid results and generates adequate free cash flow to support its generous dividend.

Rising interest rates could eventually entice some investors to move funds out of BCE and into GICs, but rates have a long way to go before the fixed-income option comes close to matching BCE's 4.8% yield.

No dividend is 100% guaranteed, but BCE's payout is probably as close as you will get.

#### **Altagas**

Altagas has taken a beating this year amid the broader pullback in the energy sector and investor concerns about the pending \$8.4 billion purchase of WGL Holdings.

The company plans to sell non-core assets to cover part of the financing for the deal, and the market

isn't sure Altagas will get the prices it wants for the facilities it hopes to sell.

The deal is expected to close next year, and Altagas anticipates raising the dividend by at least 8% per year from 2019-2021.

Despite all the distractions, the existing assets are performing well, and Altagas just raised its monthly payout to \$0.1825 per share.

The new distribution provides a yield of 7.5%.

### **Is one more attractive?**

Altagas comes with more risk than the two other stocks, but the sell-off looks overdone, and the recent dividend increase suggests the management team is confident the WGL deal will work out as planned.

If you can handle a bit of extra volatility, I would probably make Altagas the first choice for an income portfolio.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)

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### **Date**

2025/08/25

### **Date Created**

2017/10/28

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