



## These Dividend Stocks Have Just Raised Their Payouts: Should You Buy?

### Description

The stocks I'm going to discuss below belong to boring industries. But they have one more thing in common: they are [dividend-growth stocks](#), and that is what makes them exciting investments for income investors.

Growing payouts give a raise to your income and tell a lot about a company's financial health. Dividend raises signal that a company is producing enough cash from its business that it is in a position to reward its investors.

### Telus

**Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) is one of three top telecom operators in Canada. The company is also a great dividend-growth stock.

With its third-quarter earnings release, Telus announced a 2.5% hike to its quarterly dividend to \$0.505 per share, adding to 7.1% dividend growth for 2017.

Many analysts believe Telus is in a much better position to grow its dividends going forward when compared to other operators, because the company has already invested heavily to improve its infrastructure.

Telus is targeting 7-10% growth in its dividend each year. This target doesn't seem too ambitious, given the company's ability to generate more cash through its growing customer base throughout Canada.

In the third quarter, Telus added 152,000 new wireless, internet, and TV customers, up 41% over the same period a year ago. This staggering growth in new customers was led by 124,000 net wireless additions, showing Telus is gaining market share in this most profitable segment of this business.

With an annual dividend yield of 4.2%, Telus is trading at \$48.12 a share, near the 52-week high. Given its growing customer base and potential for dividend growth, I think 2018 will provide more gains for income investors.

## Sun Life

Many investors see insurance as a boring, old-fashioned business with a limited potential for capital gains.

But if you are looking for stable income and a dividend-growth potential, then this is the [kind of investment](#) you might want to consider.

In the Canadian market, **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) provides investors exposure to global insurance market. Sun Life has operations in a number of markets worldwide, including the U.S., the U.K., Hong Kong, and many other Asian markets where insurance coverage is still limited.

In these markets, Sun Life provides a diverse range of insurance, wealth, and asset management solutions to individuals and corporate clients.

Early in November, Sun Life announced a 5% hike to its quarterly dividend to \$0.455 per common share. With regular dividend increases, Sun Life stock has also provided a stellar growth in capital. During the past five years, its stocks price has almost doubled.

Trading at \$50.20 and with a trailing 12-month P/E ratio of 11.59, Sun Life is a good bargain for long-term income investors.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:T (TELUS)

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