3 Dividend Stocks to Own Heading Into 2018

Description

The S&P/TSX Index remained above 16,000 points for the month of November. In a late October article, I'd covered the reasons why the Canadian stock market could seize up and listed a number of headwinds, including housing and a slowing economy.

Now, investors will have December to mull over new mortgage rules coming in January as well as the ongoing anxiety surrounding the fate of NAFTA. Let's look at three stocks that can provide the gift of income in this upcoming holiday season and into 2018.

Emera Inc. (TSX:EMA) is a Nova Scotia–based energy and services company. The stock has climbed 7.5% in 2017. Emera released its third-quarter results on November 10. The company posted net income of $81 million in the third quarter compared to a net loss of $95 million in the prior year. Year to date, Emera posted net income of $494 million in comparison to $157 million in Q3 2016.

The stock boasts a 4.3% dividend yield, and the company has delivered a decade of dividend growth. The Bank of Canada has recently struck a more dovish tone when it comes to interest rates, which could be good news for utilities in 2018 and beyond.

Brookfield Infrastructure Partners LP (TSX:BIP.UN)(NYSE:BIP) is a Toronto-based limited partnership that owns and operates transport, utility, and energy businesses. Shares of Brookfield Infrastructure have increased 23% in 2017. The company released its third-quarter results on November 3.

Brookfield Infrastructure posted net income of $11 million compared to $78 million in Q3 2016. Net income was higher in its energy, utilities, and transport segments, but the positive results were offset by non-cash movements related to foreign currency hedges. Both the U.S. and Canadian governments have promised big spending on infrastructure, and 2018 could see significant movement made in this regard that could spill over into the private sector.

The stock also offers a dividend yield of 4%, and the company has delivered nine consecutive years of dividend growth.

Cineplex Inc. (TSX:CGX) stock has declined 25.3% in 2017. In a November article, I'd discussed the evolution of the film industry and why companies like Cineplex face stiff challenges from the rise in home entertainment. Cineplex released its third-quarter results on November 7.

The company saw revenues decline by 1.5% to $370.4 million and net income fall by 33.8% to $17.2 million. Attendance fell by 12.8% in the quarter as North America saw one of the worst summer box office performances in over a decade. However, Cineplex CEO Ellis Jacob pointed out that a particularly poor August dragged down results. He argued that this was not the sign of a prolonged downturn. Though there are concerns for the industry, there is reason for optimism heading into the holiday season, especially with the latest *Star Wars* installment expected to be a gigantic boost for theatre revenues.

Cineplex stock offers a 4.3% dividend yield. After suffering a difficult 2017, Cineplex is an interesting target heading into 2018.

CATEGORY

1. Investing

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2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:CGX (Cineplex Inc.)
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