



## These 2 Stocks Are Poised to Boost Your Dividend Income in 2018

### Description

How do you get a pay raise in 2018 if you are relying on your portfolio of dividend stocks? That very much depends on the quality of your investment holdings.

If you have picked your dividend stocks after proper due diligence, the chances are that you are going to get a raise in your income. But the biggest challenge for new investors is [how to identify such companies?](#)

Here is a simple formula to solve that problem: buy the shares of companies that steadily raise their dividends and have strong underlying businesses with predictability in their earnings. Such companies usually maintain low debt levels, which helps them increase free cash flows, meaning more dividends for you.

Here are top dividend stocks that are on track to reward their investors in 2018.

### Telus

Canadian telecom operators provide stable and growing dividends to income investors. The main reason behind this superior performance is that Canada has a very protective environment where four players control about 80% of the broadband and video market and more than 90% of the wireless market.

Among the four top operators, [Telus Corporation](#) (TSX:T)(NYSE:TU) offers an attractive opportunity to earn dividend income and benefit from the company's growth potential.

With growing wireless penetration and a robust immigration flow, Telus has a solid ground to grow its subscribers.

One of the biggest factors that separates Telus from other telecom players is its customer stickiness. The company has a lowest customer turnover, or "churn" rate, in the industry.

With a dividend yield of 4.4%, Telus has raised its dividend payout twice in 2017, taking total dividends

to \$1.97 a share — up 7.1% from \$1.84 in 2016. Telus is aiming to increase its dividend with an annualized rate of 7-10% a year through 2019. I think this is not a bad investment for investors seeking growth in their capital.

## TransCanada

**TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) is another dividend-growth stock that runs a very profitable business of natural gas and liquids pipelines, power generation, and gas-storage facilities.

These businesses produce hefty cash flows, which TransCanada distributes among its shareholders. It has increased its dividend payout for 17 consecutive years — a track record that is tough to match.

The company's financial strength and its diversified high-quality assets, which provide good potential for future dividend growth, make TransCanada a solid investment for long-term growth.

And with a solid recovery in oil prices, TransCanada shares are well on course to deliver even more attractive capital gains. During the past five years, TransCanada shares have surged ~40%, riding through the commodity market crash in 2014, suggesting the company is a good buy for oil bulls who have a long-term investment horizon.

The company is undertaking \$24 billion of near-term growth projects, which the management says will support annual dividend growth at the upper end of 8-10% through 2020. With an annual dividend yield of 3.97%, TransCanada pays a \$0.48 quarterly dividend.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
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## TICKERS GLOBAL

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2. NYSE:TU (TELUS)
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4. TSX:TRP (TC Energy Corporation)

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