The Top 5 Dividend Stocks for 2018

Description

Going into 2018, investors have the opportunity to re-position their portfolios for the new year to come. Below are the top five dividend stocks for the year ahead. The only condition for a company to make the list is that there must be a high likelihood of a dividend raise (of re-initiation) over the next calendar year.

The first name on the list is none other than **Canadian Tire Corporation Limited** (TSX:CTC.A), which has consistently paid out approximately 25% of earnings in dividends. Throughout the first three quarters of the 2017 fiscal year, however, the company has increased that amount to almost 30%, as the major renovations and capital expenditures may finally be coming to an end.

In the same period, the depreciation expense was a higher proportion of capital expenditures than in the previous four years. The company may be reaching a stage of maturity, making it the next dividend stock of the year.

default watermark

Currently offering a yield close to 2.25%, investors are still getting a great deal at a multiple of no more than 16 times trailing earnings.

The second name on the list is **Laurentian Bank of Canada** (TSX:LB), which recently pulled back and now offers a yield of almost 4.5%. As a Canadian bank with a market capitalization of $2.2 billion, investors need not worry about another **Home Capital Group Inc.** (TSX:HCG) type of situation as the regulations surrounding banks are much greater than those surrounding the alternative lending market.

Speaking of alternative lenders, shares of Home Capital Group come in third place. Although the company previously cut its dividend to zero to conserve capital during an extremely difficult time, the major shortfalls of several employees has, in fact, been rectified. Once the investor lawsuits are resolved (which should be sooner rather than later), investors can expect a name change and the initiation of a dividend.

In the oil sector, shares of **Pembina Pipeline Corp.** (TSX:PPL)(NYSE:PBA), which offer a yield of just under 5%, may just be the biggest benefactor of the increase in oil prices. In the hopes that the sector will return closer to its “old normal,” the company may just be the best income play for 2018. Barring a major decrease in oil prices, shares continue to have considerable upside from a capital appreciation standpoint.

The last name on the list is none other than the biggest publicly traded company in North America: **Apple Inc.** (NASDAQ:AAPL). At a current yield of 1.5%, Apple is only paying out 31% of earnings on a year-to-date basis. The beauty of this name is not only the name brand recognition, but also the fact that it is fast becoming a mature, defensive company, as we now live in a world where people need their smartphones. With an ongoing share buyback, the current dividend will become easier to afford and is, of course, expected to increase throughout 2018.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:HCG (Home Capital Group)
5. TSX:LB (Laurentian Bank of Canada)
6. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

default watermark

Date
2025/08/22
Date Created
2017/12/19
Author
ryangoldsman

default watermark