Dividend Investors: These 5 Stocks Provide Stability and Pay More Than 4%

Description

In 2017, we've seen bubbles start to form around Bitcoin and cannabis stocks. Valuations in general are very high, as we continue to see the TSX and NYSE reach new records. The danger with high valuations is that some stocks could be due for significant corrections.

Investors that are concerned may want to look at safer options for their money, but at the same time they may not want to settle for the 1% returns that most savings accounts offer. Dividend stocks are a great way to earn a higher yield, and by selecting some relatively safe stocks you aren't going to expose yourself to significant risks either.

Below, I've listed five stocks that pay dividends north of 4%, and that should give you some safe investing options.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) pays investors 4.2% annually and has a great track record for growing its payouts. Nothing says safe like a bank stock, and although the CIBC might be less geographically diversified than its peers, we could see that change after its recent U.S. acquisition.

Year to date, the stock has risen more than 12%, and over five years it has produced returns just shy of 50%.

Algonquin Power & Utilities Corp. (TSX:AQN)(NYSE:AQN) has a lot of recurring revenue that can provide investors with long-term stability. However, that's not to say that the company hasn't grown; in three years, sales have grown more than 59%, while profits have more than doubled.

The company pays its shareholders 4.2% annually and could be a great long-term buy. Year to date, the share price has risen more than 23%, and in five years the stock has doubled.

BCE Inc. (TSX:BCE)(NYSE:BCE) is by no means a great long-term buy, but in the short and medium term, it offers investors stability. The telecom giant is a big player in the industry, and there is no immediate danger of that changing. Currently, the stock pays investors more than 4.7% a year and has a strong history of increasing its dividend payments.

In 2017, the stock price has risen only 4%, but in five years its returns have been over 40%. It's a blue-chip stock that could be a great addition to any portfolio.

Telus Corporation (TSX:T)(NYSE:TU) is another telecom stock that can be a great source of dividends for investors. The company currently pays its shareholders a quarterly dividend which yields over 4.2% per year.

Telus, like BCE, has a strong position in the industry and has still managed to grow its top line over the years, rising over 2% during the most recent fiscal year. Year to date, the share price has risen 12%, and in five years it has grown 46%.

Emera Inc. (TSX:EMA) is not only stable, but it has a lot of potential growth with its focus on environmentally friendly energy. With a dividend of 4.8%, it also has the highest yield on this list.

The company has grown by acquisitions, and in three years sales have nearly doubled. Although the stock has produced returns of just 3% this year, it has risen over 36% in the past five years.

Emera is a quality buy that could be an even better investment than another big-name utility stock.

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
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Author
djagielski