4 Dividend Stocks That Could Go From Red to Green in 2018

Description

The Canadian stock market had a bumpy beginning to 2017, but it ultimately finished strong with the **S&P/TSX Index** closing up 6% for the year. However, there were a number of stocks that were battered throughout the year due to internal and external factors. Let's take a look at four dividend stocks that could impress this year.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge dropped 13% in 2017. In a late December article, I'd discussed why Enbridge was still on my list of top energy stocks for 2018. In the third quarter, Enbridge bumped its earnings up to $765 million compared to a $103 million loss in the prior year. The company is awaiting the decision in Minnesota that will determine the fate of its Line 3 Replacement pipeline. It is expected in the first half of 2018.

The company announced it would sell of $3 billion in assets in 2018 and is expected to hike its dividend by 10% annually into 2020. At offering, Enbridge boasted a 5.4% dividend yield. Oil rose above $60 in late December for the first time since June 2015. After OPEC extended its production cut to the end of 2018, energy stocks appear to be enticing to begin the year.

Snc-Lavalin Group Inc. (TSX:SNC)

Snc-Lavalin is a Montreal-based engineering and construction company. Its stock dropped 1.3% in 2017. However, construction and infrastructure stocks remain enticing considering the ambitious spending plans laid out by North American governments. In a recent article, I'd covered construction and infrastructure stocks and argued that it could be a great bet with the Canadian federal government planning to roll out a $125 billion infrastructure plan over the next several years.

In the third quarter, the company saw adjusted net income rise to $48.1 million, or $0.27 per diluted share, compared to $42.6 million, or $0.29 per diluted share, in the previous year. The stock also offered a quarterly dividend of $0.27 per share, representing a 1.9% dividend yield.

Hydro One Ltd. (TSX:H)

Hydro One fell 5% in 2017. In December, Hydro One announced that it was bringing several hundred employees into the fold to help with its customer service experience. In the third quarter, revenues dipped to $1.5 billion from $1.7 billion in the previous year. Year-to-date revenues were $4.5 billion in comparison to $4.9 billion in 2016.

Still, there is reason for optimism in 2018. Hydro One will finalize its acquisition of U.S.-based **Avista Corp.** in 2018, which will net it over 700,000 U.S. customers. The stock still boasts a quarterly dividend of $0.22 per share with a 3.9% dividend yield. The Bank of Canada is not expected to move quickly on interest rates to begin the year, which is good news for utility stocks, which remain some of the most attractive income plays in this environment.

Imperial Oil Ltd. (TSX:IMO)(NYSE:IMO)

Imperial Oil stock declined 16% in 2017. In the third quarter, its net income fell 63% to $371 million while it posted petroleum product sales of 500,000 per day, representing still-record levels. The company announced a quarterly dividend of $0.16 per share with a 1.6% dividend yield at last offering.

In addition to tailwinds generated from the OPEC decision in November, oil prices could also see a boost as Middle East tensions heat up. The rhetoric between the U.S. and Iran was reignited in the final days of December. Civilian protests erupted in Iran, which prompted a hawkish response from the Trump administration, which denounced the Iranian leadership's handling of the apparent unrest.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:ATRL (SNC-Lavalin Group)
4. TSX:ENB (Enbridge Inc.)
5. TSX:H (Hydro One Limited)
6. TSX:IMO (Imperial Oil Limited)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/08/21
Date Created
2018/01/02

Author
aocallaghan