Dividend Investors: These 3 Stocks Are Taking Off!

Description

The price of a dividend stock is inversely related with its yield, and if investors wait too long to get in on shares that are rising, a great yield could quickly turn into a mediocre one. For that reason, I've listed three dividend stocks below that have been skyrocketing in the past six months and that could continue to rise.

default watermark

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) offers a lot of stability and also provides investors with a great growing dividend. There is a lot of benefit to holding this stock for years and years, since your payouts will only rise over time.

In the past five years, CIBC's dividend payments have grown more than 38%, which equates to a compounded annual growth rate of 6.7%. This means that if the bank maintained this level of dividend increase, then you could expect that the dividend payment would double after a decade.

However, the bank stock isn't just a great buy for its dividend; it has terrific growth potential as well. CIBC's stock was in the negative for much of 2017, and it wasn't until late in the year that the shares finally found some momentum. In the last six months, CIBC's stock has risen more than 16%, which has brought its yield down to 4.2%.

Although CIBC has typically traded at a lower multiple than other bank stocks due to its lack of diversification, with the bank's recent expansion into the U.S., that could change and provide even more upside for the stock. It could also be a good bet to outperform its peers in 2018.

Chorus Aviation Inc. (TSX:CHR) has performed very well over the past six months with its share price rising more than 26%. Despite this incredible climb, Chorus still pays a very high yield of 5.4%.

While Chorus has seen its sales decline over the years, in its most recent quarter, its top line was up 4% from a year ago, while profits nearly quadrupled. Given how well airline stocks like **Air Canada** and **WestJet Airlines Ltd.** have done in the past year, it might not be a bad idea to add one to your list, particularly, a stock like Chorus, which also has a great payout.

Domtar Corp. (TSX:UFS)(NYSE:UFS) is a low-risk stock that has been able to provide investors with a lot of stability. Although the company's most recent quarter wasn't without challenges, Domtar continued to produce strong results for its shareholders.

In the past six months, the share price has risen more than 34%, but investors shouldn't expect high growth, as the stock's returns over the past five years have been less than 50%.

The rise in price has brought the yield down to 3.3%, and although that might not produce a lot of excitement for dividend investors, Domtar offers a lot of predictability for its shareholders. In each of the past four years, the company's revenue has exceeded $5 billion, and Domtar has also been able to stay in the black during this time.

The company's dividend payments are in U.S. dollars, and that also gives investors an opportunity to take advantage of a rising U.S. currency.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CHR (Chorus Aviation Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:UFS (Domtar Corporation)

default watermark

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date
2025/07/02
Date Created
2018/01/09
Author
djagielski

default watermark