

Stash These 4 Dividend Stocks in Your TFSA for the Long Term

Description

Statistics Canada released its GDP report for November 2017 on January 31. Real GDP grew by 0.4% in November with 17 of 20 industrial sectors showing positive growth. Positive economic news spurred the Bank of Canada to raise the benchmark interest rate by 0.25% on January 17. The S&P/TSX Index has not fared as well, dropping 5.2% in 2018 as of close on February 6.

The annual contribution limit on the Tax-Free Savings Account (TFSA) is \$5,500 for 2018. The cumulative contribution for those who may not have taken advantage of the account as of yet is \$57,500. Today, we are going to look at four stocks to zero in on in light of recent GDP numbers that could be attractive income generators for your TFSA, with the possibility of solid capital appreciation to boot.

Finning International Inc. ([TSX:FTT](#))

Finning is a Vancouver-based company engaged in the sale and servicing of equipment in Canada and around the world. Finning stock has climbed 7.8% in 2018.

The Trudeau government in Canada and the Trump administration in the United States is expected to move forward on [bold infrastructure plans](#) in 2018 and beyond. In its recent 2017 fourth-quarter and full-year results Finning reported a 16% jump in revenues for Q4 and a 143% spike in EBITDA. The board of directors approved a dividend of \$0.19 per share, representing a 2.2% dividend yield.

Equitable Group Inc. ([TSX:EQB](#))

Equitable Group stock has fallen 5.5% in 2018. Investors have been anxious about real estate after new mortgage rules were introduced by the OSFI in January. The anxiety appears to have been vindicated with recent data showing a steep drop in January home sales in Toronto.

In November 2017, the output of real estate agents and brokers rose 4%. The promise of the new stress test appears to have motivated buyers in late 2017. Real estate industry experts expect the market to stabilize by mid-2018, and tighter rules could motivate new buyers to flock to alternative lenders like Equitable Group. The company last delivered a dividend of \$0.25 per share, representing a 1.5% dividend yield.

Leon's Furniture Ltd. ([TSX:LNF](#))

Leon's stock has dropped 7.4% in 2018. Canada experienced its largest manufacturing growth since February 2014 in November 2017 — activity jumped 1.8%. There was a 2.9% rise in output for furniture and related products as furniture retail continues to show [strong results going forward](#).

In the 2017 third quarter, Leon's revenue grew 3.3% year over year, and adjusted net income rose 9.9%. The company is expected to release its 2017 fourth-quarter and full-year results this month. The stock also offers a dividend of \$0.12 per share with a 2.8% dividend yield.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#))

Sun Life stock rose 0.41% on February 6. Shares are up 2.3% year over year. The finance and insurance sector grew 0.3% in November 2017. In its third-quarter results, Sun Life reported net income of \$817 million compared to \$737 million in the prior year. The company stands to gain from the long-term growth of the Asian middle class with its footprint overseas.

Sun Life last offered a quarterly dividend of \$0.46 per share, representing a 3.5% dividend yield.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:EQB (EQB)
2. TSX:FTT (Finning International Inc.)
3. TSX:LNF (Leon's Furniture Limited)
4. TSX:SLF (Sun Life Financial Inc.)

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Date

2025/07/17

Date Created

2018/02/07

Author

aocallaghan

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