



## These 2 S&P/TSX 60 Constituents Just Raised Their Dividends

### Description

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) and **Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)) — two of Canada's largest public corporations and constituents of the S&P/TSX 60 Index — just pleased their investors by increasing their dividends by up to 20%. Let's take a closer look at each company, their new dividends, and their dividend-growth history, so you can determine which would fit best in your portfolio.

#### Canadian Imperial Bank of Commerce

CIBC is the fifth-largest bank in Canada as measured by assets with approximately \$586.93 billion in total as of December 31, 2017.

In its fiscal 2018 first-quarter earnings release on February 22, CIBC announced a 2.3% increase to its quarterly dividend to \$1.33 per share, equating to \$5.32 per share on an annualized basis, which brings its yield up to about 4.5%.

Foolish investors should make three additional notes about the new dividend.

First, the first payment at the increased rate is payable on April 27 to shareholders of record on March 28.

Second, CIBC's 2.4% dividend hike on August 27 already had it on track for fiscal 2018 to mark the eighth consecutive year in which it has raised its annual dividend payment, and this hike puts it on track for fiscal 2019 to mark the ninth consecutive year with an increase.

Third, the banking giant has a dividend-payout target of approximately 50% of its adjusted net income, so I think its consistently strong growth, including its 10% year-over-year increase to \$3.18 per share in [the first quarter](#) of 2018, will allow it to continue to deliver dividend growth to its shareholders for many years to come.

#### Magna International Inc.

Magna is one of the world's leading suppliers of automotive parts and related services with 335 manufacturing facilities and 96 product development, engineering, and sales centres in 28 countries.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 22, Magna announced a 20% increase to its quarterly dividend to US\$0.33 per share, equating to US\$1.32 per share on an annualized basis, which brings the yield on its NYSE-listed shares up to about 2.3%.

It's important to make three additional notes about Magna's new dividend.

First, the first quarterly installment at the increased rate will come on March 23 to shareholders of record at the close of business on March 9.

Second, this dividend hike puts the automotive giant on track for 2018 to mark the ninth straight year in which it has raised its annual dividend payment.

Third, I think the company's consistently [strong financial performance](#), including its 6.9% year-over-year increase in sales to US\$38.95 billion and its 14% year-over-year increase in earnings to an adjusted diluted US\$5.96 per share in fiscal 2017, will allow its streak of annual dividend increases to continue in 2019 and beyond.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:MGA (Magna International Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:MG (Magna International Inc.)

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