



Dividend Investors: 3 Cheap Stocks to Buy Today and Hold for Decades

Description

The pullback in the stock market is giving dividend investors a chance to buy some of Canada's [best companies](#) at reasonable prices.

Let's take a look at three dividend-growth stocks that might be attractive picks right now.

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#))

TransCanada reported solid Q4 2017 numbers and has an impressive growth portfolio lined up for the next few years.

In fact, the company is working its way through \$24 billion in commercially secured near-term projects that should be completed through 2021. As the new assets go into service, TransCanada plans to raise the dividend by at least 8% per year.

Beyond that time frame, the company is looking at \$20 billion in longer-term projects, including Keystone XL and the Bruce Power life extension. If these get the final green light, investors could see an upward revision to the dividend-growth guidance.

TransCanada currently provides a yield of 4.9%.

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#))

CN is literally the backbone of the North American economy with tracks running to three coasts. The company boasts a broad range of business segments, and when one group has a rough quarter, the others generally pick up the slack.

In addition, the large U.S. side of the business provides a nice hedge against any potential downturn in Canada.

CN generates significant [free cash flow](#) and has a long history of sharing the profits with investors through dividends and share buybacks. The company recently raised the dividend by 10% for 2018.

Some investors are put off by the 1.9% yield, but the dividend growth is more important than the yield on this stock.

Bank of Nova Scotia

Bank of Nova Scotia just reported impressive fiscal Q1 2018 results, with net income rising 16% on a year-over-year basis. Looking ahead, the positive trend should continue.

Why?

The bank has invested heavily in its international operations, with a specific focus on Mexico, Peru, Colombia, and Chile. These countries represent the core of the Pacific Alliance, which is a trade bloc set up to promote the free movement of goods and capital.

The international division contributed nearly 29% of Bank of Nova Scotia's total profits in the quarter and saw net income rise 18% compared to Q1 last year.

Investors get great emerging market exposure through the bank, while collecting a reliable and growing dividend. Bank of Nova Scotia just increased the payout, which currently yields 4%.

Despite the strong results, the stock still trades well below the 2017 high reached in November.

Is one a better bet?

All three stocks look attractive at their current prices. If you have the cash available, I would probably split a new investment between them to get good geographic and industry diversification.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TRP (Tc Energy)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Tags

1. Editor's Choice

Date

2025/07/02

Date Created

2018/03/02

Author

aswalker

default watermark

default watermark