3 High Yielders That Can Help You Outperform the TSX

Description

If you're searching for a high-quality dividend stock that pays a better-than-average yield to help you beat the market, then I've got three that I think you will love. Let's take a closer look at each, so you can determine if you should buy one or more of them today.

Acadian Timber Corp. (TSX:ADN)

Acadian is one of the leading suppliers of primary forest products in eastern Canada and the northeastern United States, and it's the second-largest timberland operator in New Brunswick and Maine with approximately 2.4 million acres of land of management.

Acadian pays a quarterly dividend of $0.275 per share, equating to $1.10 per share annually, which gives it a yield of about 5.6% at the time of this writing, and it has raised its annual dividend payment each of the last three years.

It's important to note that Acadian has a long-term dividend-payout target of 95% of its free cash flow (FCF), so I think it will announce a dividend increase in its first-quarter earnings release in May if it achieves FCF growth of 5% or more. Whether its streak of annual dividend increases continues in 2018 or not, I think Acadian's dividend will continue to grow in the years ahead, making it my favourite stock in the forest and wood products industry today.

Bank of Montreal (TSX:BMO)(NYSE:BMO)

BMO is the fourth-largest bank in Canada and the eighth-largest bank in North America, as measured by assets with approximately $727.91 billion in total as of January 31, 2018. It provides a wide range of financial products and services to over 12 million customers.

BMO pays a quarterly dividend of $0.93 per share, representing $3.72 per share annually, which gives it a yield of about 3.85% at the time of this writing. It has raised its annual dividend payment for six straight years, and its 3.3% hike in December has it on track for fiscal 2018 to mark the seventh straight year with an increase.

Foolish investors must also note that the banking giant has a target dividend-payout range of 40-50% of its adjusted basic earnings per share, so I think its consistently strong growth, including its 8.5% growth to $8.16 in fiscal 2017 and analysts' projected 5.9% growth to $8.64 in fiscal 2018, will allow its streak of annual dividend increases to continue going forward.

Canadian Natural Resources Limited (TSX:CNQ)(NYSE:CNQ)

Canadian Natural is one of the world's leading producers of natural gas, light crude oil, heavy crude oil, bitumen, and synthetic crude oil. It has operations across western Canada, the U.K. portion of the North Sea, and Offshore Africa.

Canadian Natural pays a quarterly dividend of $0.335 per share, representing $1.34 per share annually, which gives it a yield of about 3.4% at the time of this writing. The energy giant has raised its annual dividend payment for 17 straight years, and its 21.8% hike on March 1 has it on pace for 2018 to mark the 18th straight year with an increase.

I think Canadian Natural's very strong cash flow-generating ability, including its 59.6% increase in funds flow from operations to $6.21 per share in 2017, will allow it to continue to be a leading source of dividend growth for the foreseeable future, making it one of my favourite stocks in the energy sector today.

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