Worried About Volatility? 4 Dividend Stocks to Add to Your TFSA Today

Description

On April 4, China responded to U.S. plans to announce tariffs worth up to $60 billion on its products by unveiling its own tariffs on soybeans, aircraft, cars, and other products. The announcement rattled U.S. markets, as the Dow Jones Industrial Average fell by as much as 500 points before staging a comeback and finishing the trading day up over 230 points. The S&P/TSX Index, however, has failed to stage such a rally in recent days. The index is down 6.4% in 2018, and this year the Canadian stock market has been one of the worst performing in the developed world.

This should not lead investors to capitulate in the spring. The stock market swoon has brought down asset prices for stocks with highly attractive dividend yields. For those that plan to stay in the market in 2018, here are some of my top options to gobble up tax-free income for the rest of the year.

Rogers Communications Inc. (TSX:RCI.B)(NYSE:RCI)

Rogers is a Toronto-based telecommunications company, and the largest wireless carrier in Canada. In 2017, the company reported wireless postpaid net additions of 354,000 and churn of 1.20%, which represented the best results since 2010. Rogers has projected revenue growth between 3% and 5% in 2018 and EBITDA growth between 5% and 7%. The company paid an annual dividend of $1.92 per share in 2017, representing a 3% dividend yield.

Stantec Inc. (TSX:STN)(NYSE:STN)

Stantec is an Edmonton-based professional services company involved in the public and private sector. Stantec stock has dropped 10.5% in 2018 as of close on April 4, and shares are down 9.3% year over year. However, there is reason for optimism going forward.

Stantec posted gross revenue growth of 19.5% in 2017 to $5.14 billion. Adjusted EBITDA rose 3.2% to $363.4 million, and adjusted net income increased 11.5% to $202 million. Stantec has projected revenue growth in the low to mid-single digits in 2018, but it's reliant on global growth. Canada and the United States have pledged to move forward on sizable infrastructure plans in the coming years, but progress has been slow. In any case, U.S. tax reform will also be a boon for Stantec in 2018 and beyond.

The company offers a dividend of $0.1375 per share, representing a 1.6% dividend yield.

Laurentian Bank of Canada (TSX:LB)

Laurentian is a regional bank with its primary operations in Quebec. Its ongoing review of its residential mortgage books has battered the stock since late 2017. Laurentian offers a quarterly dividend of $0.63 per share, representing a 5.3% dividend yield. Shares of Laurentian have plunged 16.6% in 2018 so far, but first-quarter results were encouraging.

Adjusted net income rose 20% from the prior year, and residential mortgage loans through brokers and advisors were up 19% year over year. Quebec remains a stable housing market in comparison to the steep declines seen in the major metropolitan areas of Vancouver and Toronto. Laurentian expects to wrap up its review in the second quarter, and it will not be required to make material repurchases from the CHMC.

Cineplex Inc. (TSX:CGX)

Cineplex stock has dropped 15.7% in 2018. The previous year was a difficult one for movie theatres, but this year box office numbers have been promising. Cineplex is a good bet to bounce back in 2018, and it offers a dividend of $0.14 per share, representing a 5.3% dividend yield.

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