These 3 Dividend Stars Deserve a Place in Your RRSP

Description

The S&P/TSX Composite Index fell four points on April 11 in a hectic session. Stocks rose and subsequently fell in the morning hours, as tensions between the United States and Russia heightened over the conflict in Syria. Weeks of trade tensions battering the markets continue to show how important geopolitics have been in determining market fluctuations lately.

Naturally, the threat of turmoil and market depreciation are a source of anxiety for investors saving up or even eyeing retirement. Worse yet, a **Canadian Imperial Bank of Commerce** poll this year showed that 32% of Canadians are nearing retirement without savings. Another 53% are unaware if they are saving enough. Of course, it is never too late to take an active role in building a retirement portfolio.

Let's look at three stocks today that will suit a retirement portfolio for investors both young and old.

Genworth MI Canada Inc. (TSX:MIC)

Genworth is an Oakville-based private residential mortgage insurer. Shares of Genworth have plunged 8.6% in 2018 as of close on April 11. A tumultuous housing market has hurt housing stocks so far, but investors should retain faith in Genworth going forward. It will not be impacted by new OSFI mortgage rules that only impact uninsured buyers, and the Canadian housing market is expected to re-balance in the coming months.

In Q4 2017, Genworth saw premiums earned rise 4% year over year to $171 million and net operating income climb 8% to $121 million. For the full year, Genworth saw net income surge 27% to $528 million and fully diluted operating earnings per share rise 21% to $5.09. The company last offered a quarterly dividend of $0.47 per share, representing a 4.5% dividend yield.

Fortis Inc. (TSX:FTS)(NYSE:FTS)

Fortis is a St. John's-based electric and gas utility holding company. Shares of Fortis have dropped 8.1% in 2018 so far. Utility stocks have also been battered due to rising bond yields, which have turned investors away from stocks that have been favourites for those seeking income in a low interest rate environment.

Fortis boasts over 40 consecutive years of dividend growth. In 2017, the company reported net earnings of $2.32 per share and adjusted net earnings of $2.53 per share, and it reaffirmed its $14.5 billion capital-expenditure program through 2022. U.S. tax reform is also expected to provide a boost going forward. The stock offers a dividend of $0.425 per share, representing a yield of 3.9%.

SNC-Lavalin Group Inc. (TSX:SNC)

SNC is a Montreal-based global engineering and construction company. SNC shares have dropped 5.2% in 2018 and have been mostly static year over year. In 2017, adjusted net income surged 55.2% to $351.3 million, or $2.15 per share.

For its 2018 outlook, SNC projects adjusted consolidated diluted EPS in the range of $3.60-3.85. The board of directors also increased its quarterly dividend by 5% to $0.287 per share, representing a 2% dividend yield.

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