4 Dividend All-Stars to Target As Trade Worries Resurface

Description

The **S&P/TSX Composite Index** took a tumble along with major U.S. indexes in the early afternoon hours of May 24. This came in the wake of news that saw U.S. President Donald Trump scuttle his summit with North Korean leader Kim Jong-un, which sent the spot price of gold soaring over 1%. Trump also came out swinging against Canada as NAFTA negotiations have hit a number of snags in recent weeks. And auto content continues to be a sticking point.

With this in mind, investors may want to take profits from the April and May rallies and retreat to some of the top income-yielding stocks the TSX has to offer. Let's look at four that you may want to consider today.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge stock has taken a beating since early 2017, but its attractive dividend and gigantic project pipeline should always keep in on your radar. In the first quarter, Enbridge posted GAAP earnings of $445 million, or $0.26 per common share and adjusted earnings hit $1.375 billion.

The company plans to post dividend growth of 10% annually through 2020. In the first quarter, it announced a quarterly dividend of $0.671 per share, thereby representing a 6.2% dividend yield. Enbridge has delivered 22 consecutive years of dividend growth.

CCL Industries Inc. (TSX:CCL.B)

CCL Industries is a Toronto-based company that manufactures and sells packaging and packaging-related products. Shares of CCL Industries have climbed 10.6% in 2018 as of late afternoon trading on May 24. In the first quarter, CCL reported that its segment sales increased 11.9% year-over-year and operating income surged 49%.

Adjusted basic earnings per Class B share rose 21.1% to $0.69. The company declared a quarterly dividend of $0.13 per Class B share, representing a 0.5% dividend yield. CCL has delivered 16 consecutive years of dividend growth.

Empire Company Ltd. (TSX:EMP.A)

Empire Company is a Canadian grocery retailer that owns, affiliates, or franchises stores like Sobeys Inc., Safeway, Foodland, FreshCo., and others. Grocery retail stocks have suffered in 2018 after a minimum wage hike in Ontario and intensifying competition across the board. In the third quarter of fiscal 2018, Empire posted adjusted earnings per share of $0.33 compared to $0.13 in the prior year. Free cash flow also jumped $28.2 million to $269.4 million.

The company declared a quarterly dividend of $0.105 per share, representing a 1.7% dividend yield. Empire has delivered dividend growth for 23 consecutive years.

Saputo Inc. (TSX:SAP)

Saputo will be watching NAFTA negotiations intently as agriculture has also been a contentious issue, with the U.S. looking to strong-arm Canada into abandoning its supply management system. This idea has not been wholly rejected by Saputo, which in 2017 said it would support such an initiative. In the third quarter of fiscal 2018, Saputo saw revenues climb to $3.02 billion, with the Canadian sector mostly flat and the U.S. sector reporting growth due to higher sales volumes.

Saputo's Board of Directors approved a dividend of $0.16 per share in the report. Saputo has delivered dividend growth for 18 consecutive years.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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2. TSX:CCL.B (CCL Industries)
3. TSX:EMP.A (Empire Company Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SAP (Saputo Inc.)

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Date
2025/07/01
Date Created
2018/05/25
Author
aocallaghan