3 Dividend Stocks to Make You Rich

Description

Dividend-paying investments can be some of the most rewarding options for investors. They can provide a well-diversified mix of income-producing investments that can put your portfolio growth on autopilot, particularly for those investors that are still years away from retirement that could benefit from years of reinvestment.

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Fortunately, the market gives us plenty of options for investors searching for great income-producing investments.

Here are several great investment options from different segments of the economy.

A bank with a well-diversified and growing portfolio

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is neither the largest nor the most renowned of Canada's big banks, but CIBC has made a significant move to expand into the U.S. market in the past year that is already proving to be a lucrative investment. The acquisition of PrivateBancorp last year was the first movement into the U.S. market for CIBC in well over a decade, and doing so has silenced critics of the bank that have often pointed to CIBC's exposure to the overheated real estate market.

In terms of results, CIBC continues to surpass the expectations of analysts. In the most recent quarterly announcement, CIBC reported adjusted earnings of $1.32 billion, or $2.95 per diluted share, which handily beat both the $2.64 per share reported in the same quarter last year as well as the $2.81 per share that analysts were expecting.

Those strong results lead to an equally strong dividend with CIBC offering investors a quarterly dividend that provides an appetizing 4.64% yield.

CIBC currently trades at just over $112 with a P/E of 10.48.

The much-improved telecom that is poised to grow further

No mention of great dividend stocks would be complete without mentioning one of Canada's telecoms, and **Rogers Communications Inc.** (TSX:RCI.B)(NYSE:RCI) is a great option worth considering.

Rogers offers core subscription services of internet, wired and wireless phone, and TV service to customers across the country, as well as owning a sizable media arm that includes radio and TV stations and professional sports teams.

One interesting point worth noting involves Rogers's wireless segment; despite posting record-breaking growth levels not seen in well over a decade, the segment is barely scratching the surface in terms of potential. in the most recent quarter, analysts were expecting 58,000 new contract subscribers, and Rogers smashed that figure by adding 95,000 new subscribers.

Additionally, Rogers has made strides in improving its churn rate — a measure of customers switching to another provider. In the most recent quarter, Rogers's churn rate dropped from 1.48% to just 1.08%.

Rogers, which trades at just over $61 with a P/E of 18.47, provides a solid and sustainable quarterly dividend that pays a respectable 3.13%.

The utility that has a love/hate relationship

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There are few companies on the market that have attracted as much attention recently as **Hydro One Limited** (TSX:H).

The lucrative (or controversial) decision to launch an IPO for Hydro One back in 2015 set the stage for what would become a lucrative investment, while providing a massive multi-billion-dollar infusion for the cash-strapped Ontario government.

As the company moved into private hands, applications for rate hikes, acquisitions, and impressive dividend yields became the norm for Hydro One, but so too did a growing feeling of dissent among Ontarians who were unaccustomed to how a privately owned utility operates.

Candidates for the upcoming provincial election have floated the idea of buying back Hydro One and reining in executive compensation, which has led to a decline in the stock price to its current level of just over $19, near 52-week lows.

If a newly elected government were to buy back Hydro One, it would do so at a higher price of $24 per share, giving investors a healthy bump over the current price. The alternative option is that things remain as they are currently, and Hydro One continues to reward investors with a healthy quarterly dividend of 4.31%.

Irrespective of the outcome of the election, Hydro One investors seem set to continue to reap the rewards of the company, which holds a near monopoly over the generation and transmission of electricity in Ontario.

CATEGORY

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4. TSX:H (Hydro One Limited)
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