



As Rates Continue to Rise, Here Are 3 Sure Winners for Dividend Investors

Description

As has traditionally been the case, the long-term returns of Canada's largest industries have been far above the average of the overall markets, as there are only a handful of competitors in these spaces. In the banking sector, there are no more than five major banks and even fewer major insurance companies in that business.

The fantastic upside these companies offer is in the form of dividend growth and long-term earnings, as the Bank of Canada has started to undertake a contractionary approach to the economy. It would seem that when things go well, there is always someone there to spoil the party. In this case, it is the Canadian government, which is increasing the cost of borrowing for consumers and businesses to regulate economic growth.

As a result of higher interest rates, there are certain companies that will enjoy a much more lucrative existence: these are the deposit-taking institutions such as banks and insurance companies. For investors seeking a security that will increase alongside interest rates, Canada's insurance companies may be the best bet. After all, there are less than five major competitors.

The biggest name by market capitalization is the very well known **Manulife Financial Corporation** ([TSX:MFC](#))([NYSE:MFC](#)), which offers investors a 3.5% dividend yield and has the potential to increase the yield, as earnings are expected to increase in the future. In addition to the core insurance business, the firm has done a fantastic job at executing an international growth strategy into developing countries. Essentially, there will be a large buildup of money in the years ahead. As interest rates increase, the profit that can be given back to shareholders has a long way to [increase](#).

The second name on the list is **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)). At a price of \$55 per share, Sun Life pays a yield of 3.4% and has offered investors a fairly consistent upward return. The one-year chart is one of the smoothest of any stock I've seen for a long time. What separates this name from the rest is the substantial increase in wealth management business that has led to an increase in the bottom line. As long as equity markets increase, the wealth management business will continue to trend [upwards](#).

Shares of **Great-West Lifeco Inc.** ([TSX:GWO](#)) are once again trading in bargain territory in spite of a substantial amount of wealth management business that helps increase the bottom line. Traditionally one of the highest dividend-paying companies, shares, which previously broke out (to the upside) have fallen gradually throughout the year to trade at less than \$34 each. The good news for investors is that someone else's loss can be a huge opportunity for today's buyers.

With so many fantastic opportunities for investors, it still must never be forgotten: the stock market is a get-rich-slowly game. If it is played right, it is virtually impossible to fail!

Enjoy the dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:SLF (Sun Life Financial Inc.)

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