



Hungry for Income? Here Are 3 Dividend Stocks to Feast on This Summer

Description

The S&P/TSX Composite Index shed 67 points on June 19. Indexes in the United States also fell after the Trump administration signaled its intention to pursue the largest bundle of tariffs against China yet — worth upwards of \$200 billion. This sparked panic among investors over the possibility that a trade war between the two economic powers could hinder global growth.

As investors wrestle with a renewed protectionist approach, it may be prudent to look to income-yielding stocks during this period. Today, we are going to look at three stocks with relatively wide moats and solid dividend yields.

Saputo Inc. ([TSX:SAP](#))

Saputo is a Montreal-based dairy processor and cheese producer. Shares of Saputo have dropped 4% in 2018 as of close on June 19, and the stock is up 2.8% year over year. Supply management has been a sticking point in NAFTA talks and has even inspired a split within the Canadian Conservative Party. Conservative leader Andrew Scheer expelled shadow cabinet member Maxime Bernier over a forwarded chapter from his book that called to scrap the system.

Interestingly, Saputo has embraced this criticism in the past, citing its desire to access global markets. The company released its fiscal 2018 fourth-quarter and full-year results on June 7. For the full year, revenues were up 3.4% to \$11.54 billion, and net earnings rose 16.6% year over year to \$852.5 million. Foreign currency fluctuations had a negative impact on revenues throughout the year.

The board of directors approved a quarterly dividend of \$0.16 per share, representing a 1.4% dividend yield.

High Liner Foods Inc. ([TSX:HLF](#))

High Liner Foods is engaged in the processing and marketing of prepared and [packaged frozen seafood products](#). Shares of High Liner have plunged 27.8% in 2018. The stock is down 42% year over year. High Liner released its first-quarter results on May 9.

Sales climbed to \$319.2 million compared to \$275.7 million in the prior year. Volumes saw a bump due to the acquisition of Rubicon, which contributed 7.9 million pounds to the total. Excluding this addition, sales volumes were down due to weakness in the U.S. retail market. Gross profit also jumped \$5.1 million to \$60.6 million in the quarter.

High Liner announced a quarterly dividend of \$0.145 per share, representing a 5.3% dividend yield. The company has delivered 10 consecutive years of dividend growth.

Maple Leaf Foods Inc. ([TSX:MFI](#))

Maple Leaf Foods is a Mississauga-based packaged meats company. Shares of Maple Leaf fell 1.2% on June 19, but the stock is up 10.6% month over month. The stock has climbed steadily following the release of its [first-quarter results](#).

Sales inched up 0.8% to \$817.5 million, but net earnings and adjusted operating earnings were down 7.3% and 10.6%, respectively. Maple Leaf anticipated the slow start and also announced a brand renovation that will seek to promote its drive for all-natural ingredients. Its acquisition of vegan meat and vegetarian foods producer Lightlife has paid off in successive quarters. This renewed focus is a solid strategy going forward as younger demographics have increasingly turned to vegetarian alternatives.

Maple Leaf stock offers a dividend of \$0.13 per share, representing a 1.5% dividend yield.

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1. Investing

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1. Editor's Choice

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1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:MFI (Maple Leaf Foods Inc.)
3. TSX:SAP (Saputo Inc.)

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Date

2025/09/21

Date Created

2018/06/20

Author

aocallaghan

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