

The Top 5 Stocks for Dividend-Hungry Investors

Description

For many veteran investors, returns are much better understood to be a mix of both dividends and capital appreciation. In spite of what many young investors consider a rounding error, dividend yields can add up to a significant proportion of total gains over a multi-year holding period. As the stock market is not a get-rich-quick scheme, we need to consider the long-term expected returns. Here are the top five names that make the list.

5. Inter Pipeline Ltd. (TSX:IPL)

With the price of oil undergoing a resurrection, investors may be in the very best position with this high-quality pipeline. In spite of a massive fall coinciding with the decline in oil in years past, the “bounce back” has been sorely lacking over the past year. As the company derives revenues from the movement of oil, the next few quarters are expected to see an increase in volume (and revenues) as more projects have resumed. The dividend yield of almost 7% may just be the tip of the iceberg for investors.

4. BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#))

At a price of \$54 per share, investors willing to dive in will receive a dividend yield of 5.5% and probably an increase within 18 months. In spite of many consumers cutting the cord and being irate with their cell phone providers, the reality remains that these markets have very few competitors, and companies like BCE have a substantial amount of pricing power.

Although the long-term return is not expected to be sky high with this name, investors need to appreciate the high probability of an above-average return. In addition to the dividend yield, a 5% annual price appreciation will lead to annual returns in excess of 10%!

3. Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

As the company successfully integrates a major U.S. wealth management acquisition, shares are expected to increase substantially higher as the company continues to buy back its own float. With fewer shares outstanding, it should also lead the way for multiple dividend increases over the next few years. Although a price tag of \$115 seems high, investors need not worry, as the yield is a generous 4.6% — the highest of any of the country's [major banks](#)!

2. Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

At a price of \$42 per share, investors are buying into a clear road map that management has laid out in an effort to explain just how the dividend will be increased. The good news for investors is that the 6.3% yield may only be the beginning. After several months of experiencing downward pressure, shares are starting to creep out of the basement once again.

1. Slate Office REIT (TSX:SOT.UN)

Although it is now an obvious choice, investors can rest assured as share trade at no more than \$7.60 and carry tangible book value in excess of that. Although the current dividend yield is an astronomical 10%, the fantastic news is that if it were cut in half, the yield would remain a healthy 5%, and management would be able to more easily complete the share buyback that has been announced. Essentially, they are willing to buy [shares](#) at a cost of less than 100 cents on the dollar. Good for them! Let's see how many investors follow suit.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:ENB (Enbridge Inc.)
7. TSX:RPR.UN (Ravelin Properties REIT)

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