5 Dividend Stocks to Hold Until 2020 and Beyond

Description

The S&P/TSX Composite Index has managed to stage an impressive rally from mid-April until late June. In spite of this, there is a general anxiety over the blowback that will be generated from erupting global trade tensions. Central bankers have warned that rising protectionism could curb global growth.

With risk mounting, investors should seriously consider loading up on income-yielding stocks. Today, we are going to go over five of my top options to think about adding to your portfolio this summer.

Canadian National Railway (TSX:CNR)(NYSE:CNI)

CNR stock was up 2.3% in 2018 as of close on June 21. Shares have been mostly flat year over year. CNR could actually benefit from trade tensions in the near term due to a weaker Canadian dollar, which, as of this writing, is close to a one-year low.

The company saw revenues fall 16% to $741 million in the first quarter, and operating income also dropped 16% to $1.03 billion. Leadership attributed this to a difficult winter season. The stock offers a dividend of $0.455 per share, representing a 1.6% dividend yield.

Stella-Jones Inc. (TSX:SJ)

Stella-Jones is a Quebec-based company that produces lumber and wood products. A significant proportion of its utility poles head south of the border, so it should also benefit from a weaker Canadian dollar going forward. Shares of Stella-Jones were down 5.9% in 2018 as of close on June 21.

The company released its first-quarter results on May 3. Sales were up 0.5% year over year to $398.8 million, while net income fell to $23.1 million. The board of directors declared a quarterly dividend of $0.12 per share, representing a 1% dividend yield.

Andrew Peller Ltd. (TSX:ADW.A)

Andrew Peller is an Ontario wine-producing company. Its stock was up 15.7% in 2018 as of close on June 21. Wine has seen its market share significantly increase relative to other alcoholic beverages in recent years. This is obviously a promising trend for Andrew Peller and other wine producers.

In its fiscal 2018 full-year report, Andrew Peller posted a sales increase of 6.2% from the prior year. Adjusted EBITDA rose 23.7%, and net earnings increased to $30.1 million, or $0.71 per Class A share, compared to $26.4 million, or $0.64 per Class A share, in fiscal 2017. The stock offers a dividend of $0.045 per share.

CAE Inc. (TSX:CAE)(NYSE:CAE)

CAE is a Quebec-based aerospace and defence company. Shares were up over 15% as of close on June 21. Defence spending has risen steadily in recent years, and this trend is projected to continue into the next decade. CAE has won top contracts for both the Canadian and U.S. military and is especially sought after for its simulation technologies.

Revenue rose 6% to $780.7 million in Q4, and the company reported a record $7.8 billion backlog in the end of the fiscal year. CAE announced a dividend of $0.09 per share, representing a 1.3% dividend yield.

Fortis Inc. (TSX:FTS)(NYSE:FTS)

Fortis is a St. John’s-based utility. Canadian utility stocks have been pummeled with the shadow of rising rates hurting investor sentiment, but the Bank of Canada has turned dovish in recent meetings. Bond yields have climbed year over year, but Fortis boasts rock-solid income, over 40 consecutive years of dividend growth, and a wide moat to boot.

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