



## 3 Dividend Stocks for a Summer Portfolio

### Description

The S&P/TSX Composite Index was up over 40 points as markets opened on July 3. Indexes south of the border also opened in positive territory on July 2 in contrast to the sharp declines we saw in the beginning of the previous week. This is an encouraging start, but volatility is likely to rear its head again this summer, as the global trade war marches forward.

Today, we are going to look at four income-yielding stocks that are solid bets in the summer months, when several of these companies typically experience some of the busiest activity. In previous articles, I have discussed the [push for infrastructure spending](#) in North America, but individual spending on building and home furnishing has also been on the rise.

#### Richelieu Hardware Ltd. ([TSX:RCH](#))

Richelieu Hardware is a Montreal-based company that operates in Canada and the United States. It focuses on importing, manufacturing, and distributing home accessories and building products. The stock has plunged 20% in 2018 as of morning trading on July 3.

A strong real estate market has encouraged spending on building materials and home products in previous years, but [weaker numbers](#) should not necessarily dissuade investors from stocks like Richelieu. The company posted an 11.6% year-over-year increase in sales in 2017. Canada and the United States reported internal growth of 6.4% and 4.9%, respectively.

The company also announced a dividend increase to \$0.06 per share in the fourth quarter of fiscal 2018. This represents a modest 0.8% dividend yield.

#### Hardwoods Distribution Inc. (TSX:HDI)

Hardwoods Distribution is a Langley-based company which has operations in the United States and Canada. It is engaged in the wholesale distribution of hardwood lumber and sheet goods. Shares of Hardwoods are down 15.5% in 2018 so far.

Hardwoods is another stock that could rise or fall due to volatility in the broader housing market. The

company released its first-quarter results on May 10. Consolidated sales rose 4.4% year over year to \$270.8 million with sales from U.S. operations up 9.6%. Sales in Canada were up 2.6% from the prior year. Adjusted profit in the first quarter increased 5% to \$8.3 million, as Hardwoods saw a boost from the lower corporate tax rate that was implanted in the United States.

The company also declared a quarterly dividend of \$0.0725 per share, representing a 1.6% dividend yield.

#### **Leon's Furniture Ltd. ([TSX:LNF](#))**

Leon's Furniture is a Toronto-based retailer of furniture, appliances, and home electronics. Shares of Leon's have climbed 7.5% over a three-month span as of morning trading on July 3. The stock is still down 2% in 2018 so far.

Leon's released its first-quarter results on May 10. Revenue rose 3.4% year over year to \$500.7 million, and adjusted EBITDA increased 10.7% to \$26.5 million. Same-store corporate sales climbed 2.6% from Q1 2017. The company announced a quarterly dividend of \$0.12 per share. This represents a 2.6% dividend yield.

#### **CATEGORY**

1. Dividend Stocks
2. Investing

#### **TICKERS GLOBAL**

1. TSX:ADEN (Adentra)
2. TSX:LNF (Leon's Furniture Limited)
3. TSX:RCH (Richelieu Hardware Ltd.)

#### **PARTNER-FEEDS**

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