



2 Top Dividend Stocks to Buy for Your TFSA in August

Description

We may be in the “dog days of summer,” but these two stocks would be far from considered “dogs,” as far as the stock market is concerned.

Both companies that make this list, **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) and **Molson Coors Canada** ([TSX:TPX.B](#))([NYSE:TAP](#)) pay their shareholders regular dividends, meaning you get paid to wait while the value of your investment grows over time.

Cenovus stock has fallen on hard times after institutional investors were less than pleased with the company’s purchase of its joint venture assets from **ConocoPhillips** last year.

As the story goes, these big-time money managers weren’t thrilled that Cenovus planned to take on an additional \$5 billion of liabilities associated with the deal.

Given that Cenovus had already cut its dividend twice since 2014’s collapse in energy prices, those sentiments put forward by the institutional crowd didn’t exactly seem unreasonable either.

But thanks to what can only be considered as another “market overreaction,” Cenovus shares now trade at less than a third of their peak value in 2014.

And what makes this such an unusually great idea today is that thanks to that very same ConocoPhillips acquisition, the company today has double the production capacity of what it had back in 2014, when shares traded above \$30 on the Toronto Stock Exchange.

While those shareholders certainly had their right to be upset, the fallout that has ensued has created a terrific opportunity for [opportunistic investors](#) — regardless whether you’re taking the short or the long view.

Meanwhile, Molson Coors is another company that made a big splash in the market last year when it acquired the Miller Coors portfolio from recently merged **Anheuser Busch**.

That acquisition did a lot to help Molson make a push into the U.S. market; however, so far that big bet

has yet to pay off.

North American beer sales have been soft to start the year, including a disappointing result when Molson reported its quarterly earnings earlier this spring.

Shares sank more than 17% on the news — but, as they say, “one man’s junk is another man’s treasure.”

[Shares have gone on to rally](#) since the company reported its first-quarter earnings — up more than 16% since the beginning of May — as management has been consistent in its messaging that it expects to recoup the first-quarter losses through the back half of the year.

That includes guidance for about US\$1.5 billion in free cash flow, which should go a long way to helping the company put its balance sheet back in order after the Miller Coors acquisition and, following that, hopefully reinstating its former dividend policy.

Molson Coors hasn’t raised its payout since the first quarter of 2015; however, Fools who are willing to ride this one out may find themselves pleasantly surprised by the time the summer of 2019 rolls around.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:TAP (Molson Coors Beverage Company)
3. TSX:CVE (Cenovus Energy Inc.)
4. TSX:TPX.B (Molson Coors Canada Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/09/28

Date Created

2018/08/12

Author

jphillips

default watermark