Wealth Creators: 3 Dividend Aristocrats That Are Beginning to Rebound off Their 52-Week Lows

Description

Whether you're saving for retirement, a child's college education, or a down payment on your first home, a successful investing strategy should include buying the stocks of companies that pay healthy and growing dividends as a vital component.

Stocks that pay attractive dividend yields pave the way towards future wealth creation, allowing investors to re-invest those dividends to take advantage of the magic of compound interest.

Meanwhile, companies that are in the habit of regularly increasing their dividends additionally help protect investors from the dangers of inflation.

Here are three of Canada's top dividend-paying stocks to consider buying for your Registered Retirement Savings Account (RRSP) or Tax-Free Savings Account (TFSA).

Hydro One (TSX:H)

Hydro One has been in the news lately thanks to a shake-up following Ontario's recent provincial elections.

Ontario's incoming premier, Doug Ford, has already removed the company's former CEO and replaced him with the CFO in the interim while it finds a suitable replacement.

In addition, Ford has also removed all of the old board of directors at Hydro One to be replaced by a new board that will see increased power given to private shareholders.

Investors should expect to see a renewed focus on profitability and maximizing capital allocation at the company.

While there may be some short-term pain at the utility as it works to replace old and aging assets, investors should allow themselves to get excited at the stock's 4.80% yield and the fact that shares now trade at their 52-week lows.

The recent shake-up could provide just the catalyst that Foolish investors are after.

Enbridge (TSX:ENB)(NYSE:ENB)

Enbridge, meanwhile, is another company just coming off its 52-week lows.

The company's shares are up 16.7% since June and 20.6% since April, but the stock still yields shareholders a dividend of 5.84%. There's good reason to believe the recent run may not be over quite just yet.

Enbridge recently got some encouraging news related to its Line 3 Replacement project — the company's largest ever — which has helped to alleviate some of the risk that had been overhanging the stock and spurred shares higher in recent weeks.

Recent sales of non-core assets have also helped to free up some capital at the firm, which it hopes will help to fuel dividend increases of up to 10% annually through 2020, making this a very strong long-term buy-and-hold candidate.

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS)

Canada's bank stocks have long been a favourite of dividend-seeking investors, and right now Scotiabank might just be the timeliest pick of the bunch.

Scotiabank's share price lagged its peer group to start the year, but that appears to be changing now with the shares starting to gain, up 3.3% since the beginning of July.

Given the highly competitive nature of the Canadian financial industry, chances are it won't be long before Scotiabank catches up with the rest of the pack.

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Date
2025/07/06
Date Created
2018/08/18
Author
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