3 Dividend Stocks to Hold in Your TFSA for the Next 20 Years

Description

A diplomatic spat between Canada and Saudi Arabia and the global impacts of the Turkish lira crisis have sent markets tumbling over the past two weeks. Last week, Fool contributor David Jagielski asked whether it was time for investors to step away from the stock market.

David concluded that investors should look to re-balance their portfolios in order to safeguard against a potentially sharp correction. Today, we are going to look at three dividend stocks that are worth consideration. All three possess significant footprints in essential industries and boast solid dividends for those seeking income. Let's take a look.

Saputo (TSX:SAP)

Saputo is a Montreal-based dairy processor and cheese producer that operates in Canada and internationally. Shares have dropped 8% in 2018 as of close on August 15. The stock took a significant hit after the release of its first-quarter results and during a sell-off that was sparked by Saudi Arabia moving to dump Canadian financial assets.

Adjusted net earnings were reported at $160.3 million, or $0.41 per share compared to $0.51 per share in the prior year. The company reported that revenue climbed to $3.27 billion over $2.89 billion in Q1 last year. The board of directors announced a 3.1% dividend increase to $0.165 per share, representing a 1.5% dividend yield.

Saputo is a steady giant in the Canadian dairy market and is also one of the largest processors in the world. It is a safe option, though it offers a modest dividend yield.

Hydro One (TSX:H)

Hydro One stock has continued its steady decline in 2018 in August. Earlier this month, I'd asked whether or not the stock was a buy-low candidate ahead of its second-quarter earnings release. The company released its second-quarter results on August 14.

Hydro One reported earnings per share of $0.34 compared to $0.20 in the prior year. This represented a 20% year-over-year increase. Earnings were bolstered by the Ontario Energy Board's (OEB) rate decision and favourable weather that has encouraged consumer usage. The pending acquisition of **Avista Corp.** was also pushed back to mid-December 2018, as the company will require time to adjust following the forced departure of CEO Mayo Schmidt and the board of directors.

Hydro One stock offers a quarterly dividend of $0.23 per share, representing a 4.6% dividend yield.

Maple Leaf Foods (TSX:MFI)

Maple Leaf Foods stock has also slipped following its second-quarter earnings release. The company has undergone a significant re-brand in an effort to appeal to an evolving consumer base, one that increasingly values nutrition and the use of natural ingredients. Sales were up 1.1% year over year in the second quarter, as Maple Leaf faced challenges in the current trade environment. The re-brand and the move to diversify its food offerings is encouraging for investors.

Maple Leaf offers a dividend of $0.13 per share, which represents a 1.5% dividend yield.

CATEGORY

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2. TSX:MFI (Maple Leaf Foods Inc.)
3. TSX:SAP (Saputo Inc.)

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