



## 3 Great Dividend Stocks to Hold Forever

### Description

Dividend stocks are a popular topic these days. As baby boomers approach retirement age, more and more of them are looking at stable investments that can pay income through their golden years. And the TSX has a number of great stocks that fit the bill. It's not just income they offer, either. Many of dividend stocks on the TSX offer fantastic value and growth metrics in addition to sharing a slice of earnings with investors. These are the "dividend superstars": steady, long-term stocks with solid financials and growth to boot.

In this article I'll be taking a look at three of them, starting with one of Canada's best-known banks.

#### **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#))

Canadian Imperial Bank of Commerce, known to its customers as CIBC, is one of Canada's Big Five banks. The company operates in retail banking, wealth management and capital markets. CIBC currently pays a dividend of \$5.32, which gives a yield of about 4.37%.

The dividend alone makes this stock worthy of consideration, but a number of other metrics take it to the next level. CIBC has seen year-over-year revenue growth of 18.3% and earnings growth of 25.60%. These metrics are approaching growth stock territory, yet CIBC trades at just 11 times earnings! The company also has strong profitability ratios, including a profit margin of 29.80%.

#### **Telus Corp.** ([TSX:T](#))([NYSE:TU](#))

Telus is one of Canada's best known communications companies. It provides a number of core communication services, including telephone and internet service. Telus pays a juicy dividend with a yield of 4.31% at the time of this writing. Management also has a history of raising the dividend; it rose from \$0.49 in Q3 2017 to \$0.53 in Q3 2018. Management is aiming for annual increases [between 7% and 10%](#) through to the end of 2019. If you're looking for an income stock with steady dividend increases, Telus is one to watch.

#### **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#))

Last but not least we have BCE, which operates the Bell Canada telecom company and the CTV network of TV stations. BCE has the [biggest yield](#) of all the companies in this article, a whopping 5.77% at the time of this writing. The company increased its quarterly dividend from \$0.68 in December 2016 to \$0.75 in June 2018. Looking at the long-term data, the company has shown a steady history of dividend increases, with not a single cut—not even during the recession of the late 2000s!

One thing worth mentioning about BCE is lackluster stock price appreciation. The stock is down year-to-date, and up just 23% over five years. This is definitely a stock you'd buy for the steady long-term income, not to sell at a profit short term.

### Bottom line

Right now, there are plenty of great dividend stocks to choose from on the TSX. If you're aiming for even higher yields than the ones I've mentioned in this article, it's possible to find them—but remember that sometimes overly-high dividends can be cut. I chose the picks on this list because the dividends are both fairly high *and* stable, with steady increases over the long term. Any one of them would be a worthy pick for long-term minded investors.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:TU (TELUS)
4. TSX:BCE (BCE Inc.)
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