



Canadian GDP Surges in Q2: 4 Dividend Stocks to Watch in the Fall

Description

Statistics Canada released gross domestic product (GDP) numbers for the second quarter on August 30. The economy posted an annualized growth rate of 2.9% from April through June 30. Real GDP growth climbed 0.7% in the quarter. Growth was driven by a 2.9% increase in export volumes, which was the largest quarterly gain since 2014. Exports of energy products powered this increase.

Canadian investors may be on their toes this Friday, as the United States and Canada attempt to push through a comprehensive trade deal. The news of a deal would breed optimism ahead of autumn and would also push the Bank of Canada to consider at least one more rate hike in 2018. As of this writing, a deal has been described as “close” by both sides, but it is anyone’s guess whether a breakthrough will come today.

With this in mind, let’s look at four stocks to watch in September and beyond as this development is sure to shake up the world of finance.

IGM Financial ([TSX:IGM](#))

IGM Financial stock has dropped 16% in 2018 as of close on August 30. I’d covered IGM extensively in an [article earlier this week](#). The company is on my radar for a number of reasons. First, it has posted impressive growth in assets under management in spite of a choppy year for the Canadian stock market. Broader optimism could be a real boost for financial stocks and IGM also boasts a quarterly dividend of \$0.5625, which represents a 6.1% dividend yield.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge stock has plunged 4.2% over the past week, as Canadian energy stocks as a whole have retreated from spring and early summer highs. Energy stocks were powered by a surge in [oil and gas prices](#) during these months. This was illustrated in the strong performance energy had in the second quarter for the Canadian economy. Enbridge is still a stock to watch in the midst of its late August dip. It won a regulatory battle in Minnesota and its leadership has reiterated its ambition to post dividend growth into the next decade. Currently, it offers a quarterly dividend of \$0.671 per share, which represents a 5.8% dividend yield.

Imperial Oil ([TSX:IMO](#))(NYSE:IMO)

Imperial Oil has followed a similar trajectory, although its stock has put together a better performance overall this year — up 5.2% as of close on August 30. The company saw net income soar to \$196 million in the second quarter compared to a \$77 million loss in Q2 2017. Imperial Oil stock offers a dividend of \$0.19 per share, representing a 1.6% dividend yield.

Gluskin Sheff + Associates (TSX:GS)

Gluskin Sheff stock has been mostly static in 2018. Like IGM, this wealth management firm stands to gain from improved investor outlook in the event of a breakthrough on NAFTA. The company is set to release its fiscal 2018 fourth-quarter and full-year results on September 20. Currently, the stock boasts a quarterly dividend of \$0.25 per share, representing a 5.9% dividend yield.

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