3 Dividend Stocks Yielding up to 6.4% That I'd Buy Right Now

Description

Dividend stocks are a great way for investors to accumulate some recurring cash flow for their portfolios. However, it's not just the dividend yield you should consider, but also the company's long-term stability. Stocks that are very volatile can present a lot of uncertainty, and that means that the reliability of their payouts may also be questionable. For that reason, I've focused on three stocks below that pay up 6.4% in dividends and that look to be safe buys for years to come.

Rogers Sugar (TSX:RSI) currently pays its shareholders a dividend of 6.4%, and while that may seem high, it's also inflated due to the decline the stock has been on. Year to date, the stock is down more than 11%, but things have turned recently, and it may be a good time for investors to buy before the yield shrinks back down.

What makes Rogers Sugar a good long-term buy is its necessity in our day-to-day lives, and as much as people may want to cut down on their sugar intake, the demand is still significant. There's no more proof of that than in the company's financials: last year, Rogers saw its top line grow by 21%, and since 2015 sales have risen by 26%. The company has also consistently posted a profit over each of the past five years.

Trading at a multiple of 15 times earnings and around 1.7 times book value, Rogers also provides investors with a lot of value for their money and can be a great option for frugal investors as well.

Dorel Industries (TSX:DII.B) is a great option for investors unsure of what to invest in, as the company is well-diversified and in a number of different industries. From strollers and products for children to bicycles and furniture, Dorel has many different avenues to grow, and that makes the stock a very appealing buy to hold for the long term. It also has operations all over the world, ensuring that it doesn't have to be overly dependent on any one market or region.

The share price has unfortunately crashed this year, declining more than 20% year to date as the liquidation of Toys "R" Us has made a big dent in Dorel's financials, as not only did it lead to a write-down in receivables, but sales were down as well. However, this is likely to be a short-term issue as Dorel will find other stores to sell to, as the demand for children's products isn't going anywhere anytime soon.

Dorel currently pays investor a yield of 6.3%, and with a price-to-book ratio of just 0.7, it's a bargain buy.

Laurentian Bank (TSX:LB) is another stock that has struggled this year, as it is down 25% since the start of 2018. While the bank has provided stability to investors, a lack of growth has left potential buyers underwhelmed. And although it is not one of the top bank stocks, Laurentian offers investors much more value, trading at just eight times earnings, and it's also currently below book value.

The stock also pays a dividend of 5.9%, which is higher than what you can get with the Big Five.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:LB (Laurentian Bank of Canada)
3. TSX:RSI (Rogers Sugar Inc.)

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