



3 Income Stocks to Be Thankful for This Thanksgiving

Description

Thanksgiving is finally here for Canada, and besides the turkey and spending time with family, there's an opportunity looming for income-seeking investors worth mentioning.

[Yesterday](#), I'd mentioned several growth stocks that are worthy of consideration, but for today, let's shift our focus to some equally impressive income options for your portfolio.

It would be nearly impossible to mention a selection of income stocks without giving some respect to **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Canada's largest telecom also has a massive media arm of radio and TV stations as well as a stake in professional sports teams. In fact, most people would find it difficult to go through a single day without listening, watching, or using one of BCE's assets. That impressive moat was most recently expanded in the past two years through the company's acquisition of regional carrier MTS and home-monitoring provider AlarmForce, both of which have provided and will continue to provide a healthy bump to earnings and expose cross-merchandising opportunities to customers.

In terms of a dividend, BCE is one of just a few select companies on the market today that have paid out a dividend for well over a century. Today, that dividend is of a quarterly payout with a very appetizing yield of 5.81%.

If there were an award for the most underrated stock on the market, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) would make my shortlist. Enbridge owns a massive pipeline network that is used to transport oil and gas to and from refineries, storage terminals, and any point in between. Enbridge charges companies a flat rate to transport their goods, which is not unlike how a toll road network works — in other words, the ultimate passive-income stream that is both recurring and growing.

If that were the only reason to consider Enbridge, it would be an intriguing buy, but there's much more to note.

First, the company has a massive backlog of shovel-ready and in-progress projects measured in the billions. Keep in mind, all of these represent new roads on that toll-road network I mentioned earlier. One such example is the often-mentioned Line 5 replacement project.

Second, Enbridge's acquisition of Spectra Energy holds massive long-term potential, but in the immediate term the significant debt assumed by Enbridge in getting the deal done has weighed down results and even resulted in Enbridge's credit-rating dropping, which kicked off a selling spree on the stock.

While Enbridge has since purged some assets to pay down some of its debt and is in the midst of restructuring itself, the stock is still down over 15% over the course of the past year, making it an excellent, if not discounted addition to any portfolio.

In terms of a dividend, Enbridge offers a quarterly payout with an impressive 6.13% yield.

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is the third income stock worthy of inclusion, despite the company only offering a quarterly 1.62% yield. Canadian National has maintained generous annual hikes to its dividend for the past few years, which has resulted in the dividend more than doubling in the past five-year period, where, coincidentally, the stock has surged over 120%.

Railroads still play a vital part in what has become an integrated North American economy under NAFTA (soon to be updated as the [USMCA](#)), hauling more freight than any of the other traditional means of transportation. Canadian National is also well diversified in this regard, with no single segment comprising more than 20% of its freight business, and that freight can be anything from petroleum products (17%), forest products (13%), automotive products (5%), or coal (5%).

Additionally, Canadian National is also the only railroad on the continent with access to three coasts — a feat which gives the company a competitive advantage over its peers.

In many ways, this makes Canadian National operate as a core vein of the entire North American economy, and the company is investing heavily in infrastructure and upgrades to its network.

CATEGORY

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3. NYSE:ENB (Enbridge Inc.)
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