Young Investors: 4 Dividend Stocks to Power Your TFSA

Description

The S&P/TSX Composite Index rose 11 points on November 15. The index has dropped 6.5% in 2018 so far. Investors who have tracked the TSX through index or ETF investing may be lamenting missed opportunities as its broad performance has left a lot to be desired.

Marketing campaigns from new and old financial services companies have targeted millennials by promoting robo-advisors, which lock in products like index funds or ETFs. The performance of U.S. indexes during the recovery have produced huge outflows from mutual funds to these products. However, young investors should take the time to actively invest, especially considering the headwinds facing markets in the developed world. The quiet years for the stock market after the financial crisis are over, and ETF and index fund investors could absorb the brunt of the punishment.

Today, I want to go over four income-yielding equities that are well suited to a young investor's portfolio.

Jamieson Wellness (TSX:JWEL)

Jamieson stock has dropped 21.1% month over month as of close on November 15. This recent plunge pushed the stock into negative territory for 2018. The company narrowed its full-year guidance in its third-quarter report, and earnings were negatively impacted by bad timing of ingredients in its Strategic Partners segment. However, Jamieson is still on track for its original guidance and is set up to post good growth in 2019 and beyond. The stock also offers a dividend of $0.09 per share, representing a modest 1.7% yield.

Genworth MI Canada (TSX:MIC)

Genworth MI Canada stock has climbed 12.7% over the past month. Net income rose 10% quarterover quarter to $128 million in its Q3 2018 report, and net operating income increased 8% year overyear to $121 million. Operating investment income received a $4 million boost due to the rate-tightening environment. The board of directors hiked its quarterly dividend to $0.51 per share, whichrepresents a 4.6% yield.

Innergex Renewable Energy (TSX:INE)

Innergex Renewable Energy stock has climbed 2.3% month over month. Shares are still down 18.3% in 2018 so far. In the third quarter, Innergex saw revenue rise 30% year over year to $140.8 million, while adjusted EBITDA climbed 12% to $91.6 million. Green energy stocks should be particularly attractive to millennials considering the investment in renewable energy from the public and private sector heading into the next few decades. Innergex offers a quarterly dividend of $0.17 per share, which represents an attractive 5.6% yield.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)

CIBC stock has dropped 6.4% in 2018 so far. Shares have plunged since late September along with its peers. The bank is set to release its fourth-quarter and full-year results before markets open on November 29. CIBC has had a solid 2018 so far with earnings receiving a boost from its U.S.-based business. Along with its peers, CIBC's retail banking sector has also benefited from higher volumes and improved margins due to the rate-tightening environment.

CIBC boosted its quarterly dividend in 2018 to $1.36 per share, representing a 4.6% yield.

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1. Dividend Stocks
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1. Editor's Choice

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2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:INE (Innergex Renewable Energy)
4. TSX:JWEL (Jamieson Wellness Inc.)

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