TFSA Investors: 3 Diverse Stocks Yielding up to 5.4%

Description

Whether you're saving for the short term or the long term, a TFSA is a great tool for building wealth. If you and a partner each have an account, then that's well over $100,000 combined that you can earn tax-free income on, both on dividends and capital appreciation.

The key is not to have the account too active, especially if you've done very well, as it could attract the Canada Revenue Agency's interest. By limiting your trading, you'll ensure that there's no chance it gets seen as a business and therefore become taxable in the eyes of the government agency.

A good strategy for a TFSAs is to simply buy and hold dividend stocks. This avoids the temptation to constantly move around investments while being able to benefit from dividends as well as from increases in share price.

To help maximize these benefits, I've listed three stocks below that pay more than 3% in dividends, that have been declining recently, and that could be great buys today.

Suncor Energy (TSX:SU)(NYSE:SU) stock has declined by close to 20% in just the past three months, as things have gone from bad to worse for many oil and gas stocks. Oil prices have seen some instability recently, and OPEC has hinted at the possibility of potential supply cuts (again) in the hopes of keeping prices up.

While the negative developments in the industry aren't favourable for Suncor, this is a company that's been through it before and that has the resources to persevere. Suncor has consistently turned a profit in each of the past five quarters and has been able to generate significant free cash flow during that time.

It's still a solid buy, and the drop in price means that the stock is now yielding more than 3.3%. It's a strong yield and one that has increased over the years.

NFI Group (TSX:NFI) has crashed 25% in three months and is only a few dollars away from its 52-week low. While the automobile industry has likely weighed on the stock's recent performance, the big culprit appears to be the company's recent Q3 results, which failed to impress investors, sending the stock over a cliff.

Despite showing good growth from the previous year and still posting a strong profit, the company missed expectations, and that was enough for investors to start hitting the sell button.

I'm still a big fan of the stock, and with its yield now up to around 4%, it makes it an even more appealing investment.

Artis Real Estate Investment Trust (TSX:AX.UN) is another stock that's near its 52-week low, as it too has fallen after disappointing quarterly results sent the stock into a tailspin, dropping 13% in justthe last month.

Overall, Artis has still generated consistent sales results over recent quarters and has shown no problems in posting a profit either. The REIT is well diversified with properties in the U.S. and Canada spanning various types of uses as well.

Although the stock recently cut its dividend to shore up its financials, it still offers an attractive and more realistic dividend of 5.4%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:AX.UN (Artis Real Estate Investment Trust)
3. TSX:NFI (NFI Group)
4. TSX:SU (Suncor Energy Inc.)

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Date
2025/07/03
Date Created
2018/11/20
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