



3 Income-Generating Investments for the Holidays

Description

With the holiday season now firmly underway, now is the perfect time to take a moment and consider some of the incredibly lucrative [income-generating stocks](#) on the market. Many of these investment options can add value to any well-balanced portfolio and over the long-term provide a growing source of income.

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) may primarily be known as Canada's third-largest carrier, but to investors, Telus represents much more.

Wireless growth has exploded over the course of the past few years, leading to aggressive pricing and marketing campaigns by the telecoms to gain supremacy over the market. What few investors don't realize, however, is just how important that wireless market is going to become over the next decade.

Consider what your life was like a decade ago. You likely had a cell phone, but it likely wasn't really what we would today refer to as a smartphone. You also likely had an array of different everyday devices you used, such as an alarm clock, camera, video camera, portable music player, personal agenda, address book, and countless others.

The smartphone has eliminated the need for all of those standalone devices, relegating them to being apps on our smartphones. Keep in mind that those apps are reliant on data that Telus and its peers provide to us at a cost.

To put it another way, your wireless device has gone from a communications and status device to a must-have of modern society in under a decade. As new technology such as autonomous driving and AI continues to evolve, and hardware continues to improve, we can expect that the need for additional and more expensive devices and connections to continue to provide a steady stream of revenue to Telus and its peers.

As a dividend investment, Telus provides an appetizing quarterly yield of 4.67%, which, given the attractive P/E of 19.17, makes the telecom a great buy.

The arguably required nature of our wireless connection resonates in other areas of our modern life,

such as our need for electricity. In that same vein, **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) provides a similarly lucrative opportunity for investors. Fortis sells the power it generates and distributes at set rates that are defined in Power Purchase Agreements (PPAs). Those PPAs also stipulate the amount of time the contract remains in place, which is typically several decades.

That translates into a recurring and stable source of revenue for Fortis, which has been used by the company to expand into new markets through a series of well-executed acquisitions over the years. That growth has also been instrumental in helping Fortis provide annual consecutive hikes to its already impressive dividend for well over four decades.

The current quarterly dividend provides a respectable 3.91% yield, and at time of writing, Fortis currently trades at below \$47 with a P/E of 20.30.

Another great investment option comes in the form of **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). Unlike many of its peers that opted to expand into the U.S. market, Bank of Nova Scotia chose several Latin American markets that are members of the trade bloc known as the Pacific Alliance. The trade bloc, which currently serves Mexico, Columbia, Chile, and Peru, has been a boom to those local economies, and for Bank of Nova Scotia, which maintains a branch network in each of those countries.

In terms of just how successful the venture has been, the international segment of Bank of Nova Scotia continues to provide double-digit earnings growth during earnings season, fueled by higher interest rates, investments in the region and strong loan growth. That growth has also led Bank of Nova Scotia to expand further into the region.

Earlier this year it announced the acquisition of one of the largest banks in Chile, further solidifying its hold in the region. In addition to the lucrative growth prospects, expansion into the markets of the Pacific Alliance can be seen as well placed to offset concerns relating to the overheated real-estate market in Canada.

In terms of a dividend, Bank of Nova Scotia provides a [very handsome yield](#) of 4.79%, which should be a top consideration for any well-diversified portfolio.

CATEGORY

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TU (TELUS)
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Date

2025/07/04

Date Created

2018/12/09

Author

dafxentiou

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