



This Top Dividend-Paying Stock Delivers the Goods

Description

Investors are fond of online retailers more than grocery stores when choosing which one is a better stock investment. But those who are fascinated by grocer stocks, especially **Loblaw Companies Ltd.** ([TSX:L](#)), see stability. The company is fully ingrained in the lives of Canadian shoppers for decades now.

If you're looking to diversify your stock portfolio, you'll have to think twice about bypassing Loblaw. Canada's largest food retailer has undergone a remarkable business transformation. The grocer's reach is so expansive that it would be difficult to pluck away the loyal customer base.

Year-to-date performance

For most part of 2018, Loblaw's stock price ranged between \$63.00 and \$69.00. The \$70 threshold was elusive as ever. But there were no wild fluctuations that would necessitate panic among investors. On November 1, the price fell for the first time to the \$50+ mark. A stock split caused the decline.

Loblaw gradually rose after that and climbed above the \$60 mark once more. The stock is nearing its normal price level, which as of this writing, stands at \$62.03. You can draw a conclusion that Loblaw is stable and would be [a great pick for 2019](#).

Formidable grocery store

Loblaw Companies Ltd. is a formidable grocer with two major business segments – retail and financial services – delivering the goods. The retail segment is composed of 400 grocery stores; 1,300 pharmacies; 500 discount stores; and Joe Fresh, which is an apparel store that's drawing in lifestyle-conscious customers.

The financial services segment provides an assortment of products attuned to the financial requirements of the public at large. Among the sought after are personal banking, insurance brokerage, credit cards, and gift cards plus telecommunication services. Loblaw's loyalty program is also among the best in the retail industry.

In totality, Loblaw Companies Ltd. has earned its status as the country's food and pharmacy leader. Customers visiting the network of corporate and independently-operated stores annually is estimated to number around one billion.

Further, Loblaw is not lacking in tech savviness. The grocer is injecting innovative technology like the "shop and scan" self-checkout app to reduce the hassles of customers usually complains about. The impact of this new app will be felt soon as the rollout begins in Loblaw's major stores.

A safe grocer stock

Loblaw Companies is also [a dividend-paying grocer stock](#), which could be an enticement for investors who desires a modest passive income. The dividend yield of 1.93% is not that high, but is better than the industry's 1.51%. Earlier this year, the dividend was increased by 9.3% as a testament to the company's firm resolve to keep stockholders whole.

With all the aces Loblaw Companies Ltd. is holding, chief rival food retailer **Metro** appears second-fiddle. This top grocer is not out to deliver what customers want. Instead, the focus is to offer what customers need. A safe grocer stock might also be what you need to spread out the risks in your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/26

Date Created

2018/12/09

Author

cliew

default watermark