



RRSP Investors: Bet on These 3 “Easy Money” Dividend Streaks in 2019

Description

Hi there, Fools. I’m back again to highlight three dividend-growth stocks worth checking out. Why? Because companies that consistently raise their dividend payouts

- usually have a rock-solid competitive position backing up those payments;
- can provide [a growing income stream](#) no matter what the market is doing; and
- tend to outperform over the long haul.

It’s easy to think that the [higher the dividend yield](#), the better. But the consistency in which that dividend grows is equally as important. And with 2019 around the corner, it makes sense to figure out which dividend streaks are worth betting on in your RRSP account.

Let’s dig in.

Empire strikes back

Kicking off our list is **Empire Company** ([TSX:EMP.A](#)), which has grown its annual dividend for 23 consecutive years. The stock had been pretty sluggish over the course of the year, but is now up about 15% for December versus a gain of 3% for the **S&P/TSX Capped Consumer Staples Index**.

Driving the recent pop was a strong Q3. During the quarter, adjusted EPS clocked in at \$0.40, up an impressive 48% from the year prior. Meanwhile, same-store sales — a key retail metric — increased 2.5%.

“Our trajectory and momentum continue to trend in the right direction with strong sales and tonnage growth, stabilized margins, a significant decline in our costs, and a 48% earnings improvement,” said President and CEO Michael Medline.

That strong operating momentum, along with Empire’s dividend streak, makes the stock tough to pass up.

Electric opportunity

Next up, we have **Emera** ([TSX:EMA](#)), which has posted 11 straight years of annual dividend growth. Shares of the electric utility are up roughly 7% over the past six months versus a loss of 2% for the **S&P/TSX Capped Utilities Index**.

Emera is firing on all cylinders. In its Q3 results last month, EPS jumped to \$0.51 from \$0.38 in the year prior. More importantly, operating cash flow increased 29% to a whopping \$1.24 billion.

“Our performance in the quarter reflects how well positioned our businesses are to capitalize on the robust growth opportunities we have within the portfolio,” said President and CEO Scott Balfour.

With the stock sporting a juicy 5.2% dividend yield, not to mention a highly comforting beta of 0.3, I'd seriously consider betting on that bullishness.

Natural choice

Rounding out our list is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), which has grown its annual dividend for 18 straight years. Shares of the oil and gas giant are down about 23% over the past six months versus a loss of 31% for the **S&P/TSX Capped Energy Index**.

CNQ's dividend is also backed by strong fundamentals. At current pricing, CNQ should exit 2018 with a solid debt-to-EBITDA of 1.5. Moreover, management recently set its 2019 capex budget 20% lower than 2018, giving the company plenty of flexibility amid the current pipeline headaches.

“If prices normalize further out, combined with more certain market access, we will look to add growth capital in 2019 to the \$4.4 billion range, which would give us growth in 2020 and beyond,” said President Tim McKay.

Right now, the stock boasts a tempting 3.9% yield.

The bottom line

There you have it, Fools: three attractive dividend-growth stocks worth checking out.

They aren't formal recommendations, of course. Instead, view them as a starting point for further research. Dividend cuts can be especially painful, so due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:EMA (Emera Incorporated)
4. TSX:EMP.A (Empire Company Limited)

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1. Msn
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