TFSA Investors: Diversify With These 3 Dividend Stocks That Pay Over 5%

Description

Diversifying is a good way to minimize your exposure to a specific market or industry. And it's no exception when you're looking for dividend stocks to put into a TFSA, as you could risk running significant losses by doubling down on a particular industry. Below are three stocks in three different industries that pay dividends of more than 5% that could be great options to put inside of a TFSA.

Cineplex (TSX:CGX) is an underrated stock that could have a lot of upside this year. Back in November, when it released its quarterly results, Cineplex went over a cliff; from $36 a share, it would eventually hit a new 52-week low of less than $23. Since then, it has been making some strong progress back up, and if it can rebound with a strong Q4 in February, then the rally could get even stronger.

While investors might be skeptical about how popular movie theatres are, Cineplex has continually found ways to increase its top line. The company has looked at innovative ways to reach new customers, and there still seems to be plenty of attraction for consumers to go see the latest movies. As a result, there's plenty of opportunity for the stock to continue to climb.

Investors will also benefit from a very strong dividend of around 6.2%.

Northland Power (TSX:NPI) is also releasing its fourth-quarter earnings in February. The company has been doing well lately with sales up 19% in its most recent quarter. Another strong quarter could send it to a new 52-week high. The utility company has a lot of opportunities to grow, as it is well diversified with assets in different parts of the world. Northland using various types of facilities to generate electricity, including renewable energy coming from wind and solar sources.

The company's focus on green energy makes it a solid play not only for the short term, but for many years down the road. Over the past five years, the stock has risen by more than 45%. Currently, the stock pays a monthly dividend which yields over 5.1% annually.

Rogers Sugar (TSX:RSI) offers investors the highest yield on this list at a rate of 6.3%. Quarterly payments have remained consistent over the years with shareholders receiving $0.09 per share; however, the stock dropped sharply back in May, which sent its yield up. Over the past 12 months, Rogers Sugar’s stock price has declined by more than 10%.

Overall, the company has produced consistent results with a profit in each of the past five quarters and has even seen its sales rise by 10% in its most recent quarter. With still a significant demand for its products, Rogers Sugar can offer investors a lot of stability. While there are risks that, over the long term, consumers could move away from sugar as a whole, but that’s a movement that will take a long time (if it happens at all). In the meantime, however, it could prove to be a great dividend stock to hold in your TFSA.

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3. TSX:RSI (Rogers Sugar Inc.)

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djagielski