These 3 Dividend Aristocrats Are Outperforming the TSX Index Year to Date

Description

So far in 2019, it would seem that investors are paying up for quality.

On the whole, high-quality, dividend-paying stocks have fared better relative to those that don't pay dividends.

If this trend continues, investors may want to pay careful attention to the shares of those companies considered "Dividend Aristocrats," or those companies that have demonstrated a track record of consistently raising their annual dividend over the past five years.

The fact that **Royal Bank** (TSX:RY)(NYSE:RY) makes a list of companies outperforming the TSX Index might come as something of a surprise to investors familiar with the notion that it's typically smaller capitalization companies that tend to outperform the markets over long time horizons.

But Royal Bank also happens to be the single largest publicly traded company in Canada. The argument can certainly be made that smaller capitalization companies have further room to run; you could just as easily make the argument that there's safety in numbers.

In light of the volatility that markets experienced in the fourth quarter, it's perhaps not surprising that we would see a "flight-to-safety" trade, which has helped to contribute to a 12.1% rise in the value of RY stock over the first month and a half of this year.

BCE (TSX:BCE)(NYSE:BCE), like Royal Bank, is another large, relatively low-risk company; it's in the business of providing home-telephony, television, internet, and wireless solutions to Canadian residential and business customers.

BCE stock yielded 5.56% entering Thursday's trading, following a 4.95% dividend hike announced last week on February 7.

The company's first-quarter dividend of $0.7925 will be paid on April 15 to shareholders of record on March 15, making the last day that shareholders are eligible for BCE's first-quarter distribution March 13.

Enbridge (TSX:ENB)(NYSE:ENB) ranks not far behind Royal Bank but ahead of BCE as one of Canada's largest companies by market capitalization, adding further credence to the flight-of-safety trade that may currently be underway in many global markets, as investors look to reduce risk while adding not only quality but yield.

In this respect, ENB stock is a prime candidate, currently offering shareholders a compelling dividend that not only includes a 6.21% yield against Tuesday's closing price of $47.57 on the TSX but also includes expectations for some significant increases to that over the next 12-24 months if management holds true to previous communications with the investment community.

ENB stock has surged 15.54% year to date and currently sits not far off its 52-week high of $49.70.

Bottom line

As the fourth quarter showed us, the short-term direction of markets can be difficult to predict at times, which only serves to support the investment thesis in favour of these three Dividend Aristocrats, which are, at the very least, willing to pay shareholders a fair return for their time.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

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

Category

1. Bank Stocks

2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/07/25
Date Created
2019/02/14
Author
jphillips