3 High-Yield Dividend Stocks for Your RRSP

Description

Bank of Montreal released an encouraging report early this year that indicated Canadians are saving and investing more aggressively in their RRSPs. BMO's RRSP study showed that, nationally, the average amount held in RRSPs has climbed 21% from 2016 to $101,155. The national average in 2016 was $83,635.

On February 14, I'd discussed why investors should be wary of stocks that boast high yields. Instead, they should target companies that have achieved steady dividend growth. The three stocks we will cover today have both bases covered.

Enbridge (TSX:ENB)(NYSE:ENB)

Enbridge stock had climbed 11.6% in 2019 as of close on February 14. This put the stock up 10% in the year-over-year period. The company has built momentum in the face of a crisis-ridden energy sector by scoring some big regulatory wins south of the border.

As of this writing, we are awaiting Enbridge's fourth-quarter earnings release before markets open on February 15. The stock last paid out a quarterly dividend of $0.671 per share, which represents an attractive 5.8% yield. Enbridge has achieved dividend growth for 23 consecutive years.

Enbridge boasts a wide economic moat as the largest energy infrastructure company in North America. The company is well positioned to achieve dividend growth into the next decade.

Cineplex (TSX:CGX)

Cineplex stock had climbed 6.7% in 2019 as of close on February 14. The stock was still down 15.8% year over year. In late 2018, I'd discussed whether investors should bet on a comeback for Cineplex this year. Cineplex has proven extremely volatile over the past two years and tumbled to a six-year low this past December.

The company is also set to release its fourth-quarter and full-year results on the morning of February 15. As of this writing, we have not yet had the opportunity to take them in. Cineplex last declared a monthly dividend of $0.145 per share, which represents a 6.3% yield. Leadership at Cineplex is confident that the company will bounce back from yet another “blip” in the previous quarter.

Still, Cineplex boasts a monopoly which is nothing to sneeze at, even in an industry facing new challenges. The company has achieved eight consecutive years of dividend growth.

Brookfield Renewable (TSX:BEP.UN)(NYSE:BEP)

Brookfield Renewable stock was up 9.9% in 2019 as of close on February 14. However, shares were down 3.1% year over year.

The company released its fourth-quarter results on February 8. For the full-year funds from operations climbed to $676 million compared to $581 million in the prior year. Brookfield poured $550 million into growth initiatives over the course of 2018, which included two million unit buybacks.

Brookfield announced a quarterly dividend of $0.515 per share. This is a 5% increase from its previous dividend. It also represents an attractive 6.6% yield. Brookfield is trading well above the enticing low it plunged to on December 24, but investors can still justify holding onto this stock in the long term considering its high payout. The company has achieved 10 consecutive years of dividend growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CGX (Cineplex Inc.)
5. TSX:ENB (Enbridge Inc.)

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