



2 Dividend Stocks to Watch in March

Description

Retail sales fell 0.1% to \$50.4 billion in the month of December, according to a recent report from Statistics Canada. These numbers were disappointing to close off the year, but there were some notable bright spots. Building material and garden equipment and supplies dealers posted a 3.1% increase in activity. This was the first increase in this sector in six months.

Back in the spring of 2018 I'd discussed some stocks to watch [ahead of renovation season](#). Today we'll revisit two stocks in this sector.

Hardwoods Distribution (TSX:HDI)

Hardwoods Distribution is a British Columbia-based company that operates a network of distribution centers in Canada and the United States in the wholesale distribution of hardwood lumber and other related goods. Shares have climbed 16.4% in 2019 as of close on February 26. The stock is still down 33% year over year.

Back in October 2018 I'd discussed Hardwoods Distribution stock as, at the time, it had [reached a 52-week low](#). Shares would later hit a 52-week low of \$10.04 in late December, which provided a solid buying opportunity. The stock currently boasts an RSI of 65, which puts it close to overbought territory as we head into March.

Hardwoods Distribution is set to release its fourth-quarter and full-year results for 2018 next month. For the first nine months of last year the company reported total sales of \$859 million compared to \$796 million in the prior year. The company projected solid growth in the fourth quarter, but results continue to be dependent upon a volatile US housing market.

The stock offers a quarterly dividend of \$0.08 per share, which represents a 2.4% yield.

Richelieu Hardware ([TSX:RCH](#))

Richelieu Hardware is a Montreal-based company that imports, manufactures, and distributes specialty hardware and complementary products. The stock has climbed 5.5% in 2019 so far, and shares have dropped 23.8% year over year.

The company released its fourth-quarter and full-year results for 2018 on January 24. Sales hit the \$1 billion mark in 2018 and were up 6.6% from the prior year. Richelieu reported diluted net earnings per share of \$1.17, up from \$1.15 in 2017. The company's two strategic acquisitions in the United States boosted earnings and improved its already strong position in Florida with the acquisition of Cabinet & Top Supply Inc.

Richelieu moves into fiscal 2019 with almost no debt and working capital of \$329.1 million. The board of directors announced a quarterly dividend of \$0.0633 per share, representing a modest 1% yield. Richelieu is behind the industry average, boasting a P/E ratio of 19.2 as of this writing. The stock had an RSI of 51 as of close on February 26. This puts shares in neutral territory before March kicks off.

Of the two stocks, I prefer Richelieu in late February. The stock is at the lower end of its 52-week range and the company is in a very solid financial position.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ADEN (Adentra)
2. TSX:RCH (Richelieu Hardware Ltd.)

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