3 High-Powered Dividend Stocks for Your RRSP

Description

Earlier this month I'd discussed the rise in RRSP balances from 2016 to late 2018. Millennial RRSPs have been a key driver of this increase. According to a recent **Bank of Montreal** study, average amounts held by millennials rose to $29,000 compared to $15,000 in 2016. Accounts held by baby boomers experienced a 30% increase from $137,000 to $179,000.

Investors have until tomorrow to contribute to their RRSPs for the 2018 year. With that in mind, today we are going to look at three dividend stocks that offer impressive yields and are attractive targets for millennials and baby boomers alike.

Ag Growth International (TSX:AFN)

Ag Growth International is a Winnipeg-based company that manufactures portable and stationary grain handling, storage and conditioning equipment. Shares of Ag Growth have climbed 26.6% in 2019 as of close on February 27. The stock is up 5.7% year over year.

For the first nine months of 2018 Ag Growth reported trade sales of $719 million compared to $582 million for the same period in 2017. Adjusted profit had climbed to $46.3 million over $34.5 million in the prior year, and diluted adjusted profit per share grew to $2.65 compared to $2.14 in the first nine months of 2017.

The stock last paid out a monthly dividend of $0.20 per share. This represents a 4% yield. Ag Growth stock is pricey right now, boasting an RSI of 77, which puts it well into overbought territory. Investors may want to await a pullback ahead of its Q4 earnings release.

Capital Power (TSX:CPX)

Capital Power is an Edmonton-based North American power producer. The company owns and operates a portfolio of natural gas, coal, wind, solar, and solid fuel energy generating facilities. Shares are up 12.6% in 2019 so far.

In 2018 Capital Power reported revenue of $1.39 billion compared to $1.14 billion in 2017. Adjusted EBITDA grew to $646 million over $551 million and net income climbed to $267 million compared to $134 million in the prior year. Capital Power is well positioned to see improvement in 2019, especially on the back of higher power prices in Alberta.

In July 2018 the board of directors approved a 7% dividend increase to $0.4475 per share, which is paid quarterly. This represents a 5.7% yield. Capital Power has now achieved dividend growth for five consecutive years.

Chorus Aviation (TSX:CHR)

Chorus Aviation is a Dartmouth-based Canadian holding company that operates an airline with several aviation interests. Shares have surged 36% in 2019 as of close on February 27. However, the stock is still down 10% year over year. In January I'd warned investors that economic headwinds had the potential to hit the airline industry especially hard.

The company achieved 19.4% growth in adjusted EBITDA in comparison to the prior year in 2018. It grew its leased fleet to 40 regional aircraft, which are valued at $1.1 billion. Ahead of 2019, the company has secured a US $300 million credit facility that will support the growth of its regional aircraft leasing business.

Chorus Aviation offers a monthly dividend of $0.04 per share, representing an attractive 6.2% yield. As I have stated, it is a pricey market and Chorus is no different. Patient investors may want to press pause before adding this stock to their RRSP in early March. However, it is well worth monitoring going forward.

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2. TSX:CHR (Chorus Aviation Inc.)
3. TSX:CPX (Capital Power Corporation)

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