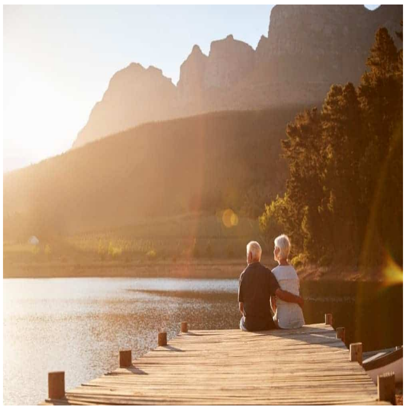

RRSP Investors: Buy These 2 Solid Dividend Stocks That Are Trading Near 52-Week Highs

Description

Investors are rewarding dividend stocks that provide them with a reliable and visible source of dividend income, and whether it is income for their current desires, for compounding, or for their retirement needs, this income puts money in the hands of investors today.

And with interest rates remaining low, RRSP investors continue to depend on dividend-paying stocks for income.

The following two dividend stocks have done this and more for shareholders and are now trading at 52-week highs.

Sienna Senior Living (TSX:SIA)

With a dividend yield of 4.9%, Sienna is poised to continue to satisfy investors' hunger for dividends.

And trading at 52-week highs, with a year-to-date return of 19%, Sienna has given shareholders attractive capital gains as well.

As an operator of long-term care homes and retirement homes in Ontario and British Columbia, Sienna Senior Living will continue to benefit from favourable demand/supply trends. Simply put, the aging population has translated into increasing demand while supply has not kept up pace.

In the latest quarter, the company reported a 3.5% increase in funds from operations, with the retirement home segment posting the strongest results as this segment is seeing improving rents.

Going forward, the company's focus on increasing its presence in the retirement home category will serve to drive long-term growth.

Pembina Pipeline (TSX:PPL)(NYSE:PBA)

Pembina Pipeline is a pipeline and midstream company whose stock is currently yielding an attractive 4.66%. This dividend has been increased annually by approximately 5%, so investors have also gotten good dividend growth with this stock.

While the payout ratio got elevated a couple of years ago, the company will continue to get it down to more comfortable levels in the next few years due to strong performance by the company's premium assets as well as attractive investment opportunities.

Pembina's dividend coverage is strong, debt leverage is low, its payout ratio is 50% of cash flow, and it is self-funding, meaning that the need for capital from the equity markets is low.

With a concentration of primarily liquids infrastructure, Pembina is well positioned for 2019, making it a top pick for RRSP investors.

Final thoughts

Investors are looking for reliable dividend stocks that have good visibility and good track records in their quest for dividend income, capital preservation, and RRSP wealth creation.

These stocks are in sectors of the economy that are relatively insensitive to economic cycles, and as such, I believe that their recent gains to 52-week highs are sustainable.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:SIA (Sienna Senior Living Inc.)

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