TFSA Investors: 3 Dividend Stocks Yielding up to 12.6%

Description

If you're looking for an easy way to build wealth, a TFSA and some good dividend stocks are all you really need. With eligible investments in a TFSA being tax-free, generating dividend income is a great way to build your portfolio without having to worry about taxes. Below are three dividend stocks that could be great options for you depending on your level risk and overall strategy.

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is a good value option for investors that are looking for a safe long-term investment. The company is coming off a disappointing quarter where growth was a bit underwhelming, and while that might not be great news, it still has very strong fundamentals that will make the stock a good buy for years to come. Over the past decade, the share price has risen by around 150%.

In addition to that, investors will also be able to benefit from a great, reliable dividend as well. Rogers currently pays investors quarterly dividends of $0.50 per share, which is now yielding 2.9% annually. The company also recently raised its payouts, and if that continues, that means investors will be earning an even higher percentage down the road on their initial investment.

Rogers is well diversified and even has interests in sports teams, giving it many opportunities to grow. And while this latest quarter may have been a setback, the company still has a bright future ahead of it.

Emera (TSX:EMA) is a higher-yielding option for dividend investors that are looking for something more than just stability. Emera may not be the big name that Rogers is, but that can work to its advantage, as it has a lot more untapped potential. The utility provider has many opportunities to grow and already has a strong presence in North America, including the Caribbean.

Emera's sales have grown from $3 billion in 2014 to $6.5 billion this past year. During this time, profits have also risen by 72%. There's a lot of potential here for investors to cash in on with this growing company. And on top of it all, Emera also pays a growing dividend which currently yields 4.6%. Five years ago, the company was paying 36.25 cents per quarter, which has since grown to 58.75 cents — an increase of 62% for a compounded annual growth rate of 10%. If that trend were to continue, Emera could be a phenomenal dividend stock to have in your portfolio. However, investors need to remember dividends are never guaranteed, much less that they will grow.

American Hotel Income Properties REIT (TSX:HOT.UN) is a high yield that's suitable for dividend investors that are willing to take on some risk. There's a lot of potential for this stock as well, but I wouldn't suggest it for a risk-averse investor or someone that's looking to just buy and forget. The dividend stock pays the highest yield on this list, and at 12.6%, it's very high, and it wouldn't be a surprise if the company decided to reduce it.

Part of the reason for the high payout is that the stock has dropped more than 30% in the past three years. And since dividend yield is inversely related with the stock price, the yield has gone up as a result. However, the stock isn't a bad one and it has shown some positives. American Hotel has been profitable over the last five years and sales were also up 12% last year.

There's definitely a good opportunity here with the stock trading below its book value. Investors just need to be aware of the risks, including that the high dividend may not last, especially if the company runs into some tough quarters.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:HOT.UN (American Hotel Income Properties REIT LP)
4. TSX:RCI.B (Rogers Communications Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/07/06

Date Created
2019/04/23
Author
djagielski