2 Top Dividend Stocks to Buy in May

Description

The S&P/TSX Composite Index fell 82 points on April 24. The TSX Index has climbed 15.8% in 2019 so far and is up 10.3% from the prior year.

Today, we are going to look at two high-performing dividend stocks that are set to release first-quarter earnings for 2019 in the next few weeks. Earlier this month, I'd discussed "double-threat" stocks that offer an attractive blend of growth and income. Both of these stocks fit that mould.

Restaurant Brands International (TSX:QSR)(NYSE:QSR)

Restaurant Brands International is a Toronto-based company that owns and operates Burger King, Tim Hortons, and Popeyes Louisiana Chicken franchises. Shares of RBI have climbed 24.2% in 2019 as of close on April 24. The stock is up 22% from the prior year.

RBI is set to release its first-quarter results for 2019 on April 29. In 2018, the company achieved system-wide sales growth of 7.4% and reported a marked improvement in one of its struggling franchises: Tim Hortons. This improvement was a direct result of the "Winning Together" Plan, which sought to address the ongoing crisis at the brand. Comparable sales in Canada rose 2.2% in the fourth quarter of 2018.

The company reported net restaurant growth of 5.5% in 2018. Adjusted diluted earnings per share increased to $2.63 compared to $2.10 in 2017 and adjusted EBITDA rose 4.1% to $2.21 billion. The board of directors declared a quarterly dividend of $0.50 per share in its fourth-quarter report. The stock has climbed 71% over the past three years. It has offered an attractive combination of strong growth and solid income.

RBI stock is currently trading at the high end of its 52-week range. Shares had an RSI of 56 as of close on April 24, which put the stock in neutral territory even in this hot market.

Magna International (TSX:MG)(NYSE:MGA)

Magna International is the largest automotive parts manufacturer in North America. Shares of Magna have climbed 21.9% in 2019 so far. The stock is still down marginally — 0.25% — from the prior year.

Magna suffered from turbulence in 2018 largely due to concerns over the fate of NAFTA and negative sentiment when it came to the auto sector. The company put together a record year in 2018 in the face of these challenges. Sales hit a record $40.8 billion, which were up 12% from 2017 and earnings per share rose 13% to a record $6.61. However, sales growth is expected to slow in 2019 as global growth slows.

The company is set to release its first-quarter results for 2019 in early May. Magna last hiked its quarterly dividend by 11% in Q4 2018 to $0.365 per share. The stock has climbed 38% over the past three years.

Magna is currently trading towards the middle of its 52-week range. However, the hot start in 2019 has made it a pricey target. Shares had an RSI of 73 as of close on April 24, which indicates that the stock is overbought right now. Value investors may consider waiting on the sidelines before stacking Magna ahead of its Q1 earnings release. However, this is a stock I still like in the long term.

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2. NYSE:QSR (Restaurant Brands International Inc.)
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