



2 Top Dividend Stocks With Yields Over 4.5%

Description

This week, I discussed why it is a good strategy for investors to target income-yielding stocks with [long histories of dividend growth](#). The two stocks we will look at today have both achieved over five years of dividend growth. When we take consider the attractive yields for these equities, investors can feel good about owning dividend stocks that offer the best of both worlds.

Genworth MI Canada (TSX:MIC)

Genworth MI Canada is an Ontario-based private residential mortgage insurer. In the summer of 2018, I explained why Genworth was my [top housing stock to own](#). Shares of Genworth were up 2.2% in 2019 as of close on April 25. The stock had climbed 30% over the past three years. Genworth has been resilient in the face of turbulence in the Canadian housing sector.

The company recently announced that it will release its first-quarter results for 2019 on May 1. In 2018, Genworth posted net income of \$452 million, which was down 14% from the prior year. However, fully diluted operating earnings per share increased 4% year over year to \$5.27. Total premiums written fell 4% in 2018, but Genworth has benefited from improved margins.

As an insurer, Genworth avoided the blowback from the new OSFI mortgage rules introduced in early 2018. Insured buyers were already forced to undergo a stress test starting in October 2016.

Genworth last announced a quarterly dividend of \$0.51 per common share. This represents a succulent 4.9% yield. Genworth has achieved dividend growth for 10 consecutive years.

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#))

Scotiabank boasts the largest emerging market footprint of the Big Five Canadian banks. Its exposure to international markets has been a consistent source of growth, but its domestic performance has been muted of late. Shares of Scotiabank were up 7.1% in 2019 as of close on April 25. However, the stock was down 6% from the prior year.

Adjusted net income fell 3% year over year to \$2.29 billion in the first quarter of 2019. Diluted earnings per share dropped 6% to \$1.75. Its Canadian banking segment suffered a 3% drop in profit while International banking was again the strong point, reporting a 17% year-over-year increase in net income to \$782 million. This was largely due to strong loan and deposit growth in Pacific Alliance countries.

Like its peers, Scotiabank struggled in the first quarter due to turbulence in world markets. Net income in its Global Banking and Markets segment plunged 26% from the prior year to \$335 million. Positive market conditions in the second quarter of 2019 should shore up these losses, but anemic growth in Canada remains a concern.

The mixed bag in Q1 2019 was disappointing, but Scotiabank still increased its quarterly dividend by \$0.02 to \$0.87 per share. This represents a 4.7% yield. Scotiabank has achieved dividend growth for eight consecutive years. Slowing Canadian growth may boost Scotiabank's appeal for the remainder of 2019, considering its international focus. It boasts one of the most attractive yields among the big banks.

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