3 TSX Dividend Stocks That Have Soared More Than 20% So Far in 2019!

Description

Following a difficult fourth quarter, markets have rallied since Christmas, including Canada's benchmark **TSX** Index gaining more than 12% since the start of 2019.

These three companies however have fared even better than that – and actually much better.

Why?

For starters, the three companies to make this list can attribute their recent outperformance largely to the fact that their business models have for the most part been successful in shielding them from the growing list of macroeconomic threats, including not only an aging business cycle, but also the impact of import tariffs and trade wars.

Dollarama Inc (TSX:DOL) might just be the perfect example of a traditional domestic retail business.

An exception to the rule, Dollarama hasn't gotten itself caught up in recent years tying valuable resource in efforts to figure out online channels in an attempt to ward off the likes of **Amazon** and so many other upstart e-commerce retailers.

Instead, the company's been investing in its core strength of providing brick-and-mortar retail stores to meet Canadians everyday shopping needs.

Dollarama added another 65 new stores to its existing retail network, including 33 during the fourth quarter, bringing its total store count to 1,225.

Plans to continue to add to that count including another 60 to 70 stores planned for fiscal 2020 (the current fiscal year).

The continued addition of new retail outlets has been by far the biggest contributor to Dollarama's recent outperformance, including double-digit sales growth in 2019 and a 10% hike to its current dividend payout.

DOL stock is up a very impressive 32% so far in 2019.

Another company that can lay claim to being proudly Canadian is **Canadian National Railway** (TSX:CNR)(NYSE:CNI), Canada's largest rail operator.

Despite a government mandated restriction in crude by rail volumes during the first quarter, CNR continued to churn out higher volumes and higher realized rates per mile, both of which helped contribute to 11% higher sales growth in the first quarter.

Capital expenditures were higher during the first quarter due to the timing of some large rail deliveries.

On the surface, that had the impact of making CNR's free cash flows appear worse than what they really were, yet that discrepancy is only temporary, and CNR continued to return capital to its shareholders during Q1, including a 18% increase to its dividend payout and continued execution of its normal course issuer bid to repurchase up to 22 million of the company's common stock.

Like CNR, **Canadian Pacific Railway Ltd** (TSX:CP)(NYSE:CP) also had to deal with a challenging first quarter that included some severe winter weather that led to a number of network outages.

Yet strong freight volumes, including strong potash demand, grain volumes, plastics and the successful onboarding of the aforementioned Dollarama as a client helped CP deliver 6% earnings growth for the quarter, helping contribute to 18% free cash flow growth for the quarter.

Going forward, management is guiding for double-digit adjusted earnings per share growth in 2019 on the back of $14.51 earnings per share during 2018.

That outlook helped give CP's board of directors enough confidence to raise its dividend payout by a very impressive 27.5% in the first quarter, helping lead to a 25% in the company's stock price through the first five months of 2019.

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