3 Top Dividend Stocks to Snag This Summer

Description

Investors should brace for volatility in the summer after an impressive start for the **TSX** in 2019. Volatility returned to markets in May, and rising trade tensions will continue to stoke anxiety for the remainder of the year. This is a good reason to pursue dividend stocks in June, especially those that offer great value in choppier sectors.

Emera (TSX:EMA)

Emera is a Halifax-based utility. It is the most stable equity we will cover today, especially in a rate environment that is very bullish for utilities. Shares of Emera have climbed 22% in 2019 as of close on June 5. The stock is up 32% from the prior year.

Emera released its first-quarter 2019 results on May 10. Net income rose to $312 million, or $1.32 per share compared to $271 million, or $1.17 per share in the prior year. Emera benefitted from a weaker Canadian dollar in the first quarter, boosting earnings by $13 million. The Bank of Canada and the U.S. Federal Reserve have mirrored rate positions since late 2018. A dovish environment is good news for Emera and other utilities.

The stock last paid a quarterly dividend of $0.5875 per share, representing a 4.4% yield. The company has achieved dividend growth for 12 consecutive years.

Suncor Energy (TSX:SU)(NYSE:SU)

Suncor Energy boasts one of the top 10 market caps on the TSX. It was my top stock pick for the month of May. Shares of Suncor have climbed 5.5% in 2019 so far, but the stock is down 20% from the prior year. Oil has slipped back into a bear market in June, but these conditions should provide opportunity to add Suncor at a discount.

The average bear market for crude oil lasts approximately 60 trading days, according to **Dow Jones** market data. Right now, Suncor boasts a forward P/E of 13, which makes it a solid value play relative to industry. Turbulent conditions in the broader oil and gas sector should produce conditions that will allow investors to add Suncor at a bargain.

Suncor last paid out a quarterly dividend of $0.42 per share, representing a 4.1% yield. Suncor has achieved 16 consecutive years of dividend growth.

Cineplex (TSX:CGX)

Cineplex started fast in 2019, but shares have fallen steadily since early February. Revenue dropped 6.6% year-over-year in its first quarter results, primarily due to a 15% drop in theatre attendance. The broader North American cinema industry experienced a significant drop in attendance in January and February, but the spring months have already brought more success. There is good reason for optimism for the industry heading into the summer.

In early May I explained why I liked Cineplex after a bad earnings report. Shares jumped 3.57% on June 5. In the first quarter, Cineplex hiked its monthly dividend to $0.15 per share, representing a tasty 7.5% yield. The company has achieved dividend-growth for eight consecutive years. It is not too late to add Cineplex at a bargain as we look ahead to what should be a much-improved final three quarters of 2019.

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