Millennial Investors: 3 Stocks to Help Build Your Passive-Income Empire

Description

The oldest of the millennial generation began working and investing in the most tumultuous economic period since the Great Recession. Millennials have since been thrust into one of the longest bull markets in modern market history, but this is a double-edged sword. Stock valuations have ballooned over the past decade, and developed economies are facing anemic growth rates as we move into the next decade.

Central banks are now entertaining rate cuts as we move into July. This week, I've already discussed what kind of impact this has had on the spot price of gold. Instead of piling into high-risk gold equities, millennials should focus on dividend stocks with wide moats.

Today, we will look at three stocks that offer an attractive combination of income, stability, and momentum in a low-rate environment.

Hydro One

Hydro One (TSX:H) had been a frustrating hold for investors in the last several years. This has changed dramatically since a big shake up in the summer of 2018. Shares have climbed nearly 20% year over year as of close on June 24.

Utilities have performed very well in the low-rate environment over the past decade. Bond yields were throttled in the late spring, and income investors are once again turning to equities. Hydro One and other top utilities offer a wide economic moat and steady income. This company boasts a monopoly in the country's most populous province, so its appeal should be obvious to millennial investors.

Better yet, Hydro One increased its quarterly dividend to $0.2415 per share in its most recent quarterly report. This represents a still-attractive 4.1% yield as of this writing.

RioCan REIT

RioCan REIT (TSX:REI.UN) is one of the largest real estate investment trusts in Canada. Like utilities, real estate stocks also hold a special appeal in a low-rate environment. Canada's real estate sector has thrived over the past decade in large part due to record low lending rates, which have ballooned residential and commercial values.

RioCan is focused on mixed-use properties. The stock has climbed 15% from the prior year. Investors on the hunt for passive income have reason to be excited about RioCan. The stock offers a monthly dividend of $0.12 per share, which represents a solid 5.3% yield as of this writing. Shares boast a P/E below 20, and the stock had an RSI of 54 as of close on June 24. This places RioCan in neutral territory ahead of July, which is a good spot with a potential rate cut on the horizon.

BCE

BCE (TSX:BCE)(NYSE:BCE) is one of the largest telecommunications companies operating in Canada. Telecom is another great sector to invest in with central banks taking a dovish turn on interest rates. These companies have suffered due to cable cutting in recent years, but this difference has been made up in the huge growth of wireless subscribers. This has fueled customer additions at BCE and other top telecoms in the second half of this decade.

BCE stock has climbed 16% year over year as of close on June 24. The company recently bumped up its quarterly dividend to $0.7925 per share. This represents a 5.2% yield as of this writing. BCE has also achieved dividend growth for 10 consecutive years. It boasts a wide moat and should be a reliable source of steady income well into the next decade and beyond.

CATEGORY

1. Investing

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1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:H (Hydro One Limited)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

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