



3 Top TSX Stocks for the Income-Hungry Investor

Description

The S&P/TSX Composite Index dropped 38 points on July 29. Energy stocks were pummelled and cannabis stocks continued to experience major volatility in the wake of the **CannTrust** scandal.

This bout of turbulence may lead some investors to chase dividend stocks. It is important to remember that the **TSX** is still enjoying the fruits of a great first half. This correction could deepen in the latter half of the year.

A bout of volatility also provides investors the opportunity to add income-yielding stocks at a discount in preparation for more uncertainty. Today I want to look at three of my favourites as we head into August.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is an energy company that needs no introduction. The energy infrastructure giant boasts a mammoth project pipeline and a wide economic moat.

Shares have suffered after oil entered a bear market in early June, with gas prices following suit. The stock has dropped 10.8% over the past three months as of close on July 29.

The company is set to release its second quarter 2019 results on Friday. In the first quarter, Enbridge posted year-over-year improvements in adjusted earnings and **Moody's** upgraded the company's unsecured debt rating.

Shares have a price-to-earnings ratio of 16 and the stock had an RSI of 25 at the time of this writing, putting Enbridge in technically oversold territory. We're looking at some nice value here ahead of its Q2 earning release.

Enbridge last paid out a quarterly dividend of \$0.738 per share, which represents a tasty 6.7% yield. The company has achieved [over 20 years of dividend-growth](#) and is poised to continue this streak into the 2020s.

Canadian Western Bank

Canadian Western Bank ([TSX:CWB](#)) is a regional bank with a significant footprint in — you guessed it — Western Canada. Bank stocks on the TSX have been surprisingly flat in the late spring and early summer.

Investors may be [apprehensive in an uncertain rate environment](#), especially after bank earnings were a mixed bag in the second quarter.

The second quarter at Canadian Western was solid. Net income rose 2% year-over-year to \$62 million and total revenue rose 7% to \$210 million. It posted strong loan growth of 10% on the back of 14% growth in general commercial loans.

Canadian Western declared a quarterly dividend of \$0.27 per share, which is up 8% from the prior year, which represents a 3.6% yield. The bank has achieved dividend growth for 27 consecutive years, putting it in elite company among its TSX-listed peers.

Toromont Industries

Toromont Industries ([TSX:TIH](#)) is an industrial company that operates through its Equipment Group and CIMCO segments. Shares of Toromont have climbed 21.6% in 2019 as of close on July 29. However, the stock has dropped 5.4% over the past three months.

Even so, shares had an RSI of 66 at the time of this writing, putting the stock close to technically overbought territory.

In its recent second-quarter earnings release Toromont reported first-half revenues of \$1.67 billion which were up 2% from the prior year. Net earnings climbed 19% to \$116.7 million and basic earnings per share increased 18% to \$1.43.

Toromont has maintained a strong balance sheet with a net debt to total capitalization ratio of 26%, which is good news for income investors.

The board of directors announced a quarterly dividend of \$0.27 per share in its Q2 earnings report, which represents a modest 1.6% yield. Its underwhelming yield aside, Toromont has achieved an impressive 29 consecutive years of dividend growth.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:ENB (Enbridge Inc.)

4. TSX:TIH (Toromont Industries Ltd.)

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