TFSA Investors: 3 Stocks Paying Up to 8.2% in Dividends

Description

If you're looking for some good dividend stocks to add to your TFSA, the good news is that there are plenty of options out there. Below are three stocks currently paying more than 3% annually:

Canadian Western Bank (TSX:CWB) has earnings coming up later this month and like many bank stocks, it has struggled in recent months as concerns relating to the economy have been weighing down the sector. Although CWB's stock is up year to date, since the start of 2018 it has fallen around 25%.

Despite the volatility in share price, the bank stock has demonstrated much consistency during that time. Over the past 10 quarters, CWB has generated some good growth while also maintaining a healthy bottom line. Even amid challenges in the Alberta market, CWB's financials haven't been adversely impacted.

With a yield of about 3.7%, the bank stock could be a great option for investors to put into their portfolios today. CWB has regularly increased its payouts and is especially attractive for investors looking to buy and hold for decades.

Husky Energy Inc (TSX:HSE) has been falling sharply over the past year, losing around 60% of its value after the company failed to purchase **MEG Energy**.

Despite posting a profit for eight straight quarters and, like CWB, showing a lot of resilience in Alberta's struggling oil and gas industry, the stock has failed to see much bullishness from investors.

That negativity has sent its dividend yield rising to 5.7% annually. However, if the bleeding is not over and the stock continues to plummet, that yield could become even bigger.

Although Husky looks to be a cheap buy trading at just half of its book value and only six times its earnings, investors may want to wait for a bit of a rally or some sort of a sign that the free fall is over before buying Husky's stock.

There's still a fair bit of risk in the industry today, but there's no denying Husky could be a great bargain buy.

Inovalis Real Estate Investment Trust (TSX:INO.UN) is another good option for bargain hunters. Trading below its book value as well, Inovalis is much smaller than the other stocks on this list but it could offer a bit more stability.

With properties in Europe providing the REIT with recurring income, Inovalis isn't exposed to the same domestic risks that the other stocks in this list are.

Nonetheless, it too has faced some challenges in recent months, falling around 4% since late May. While its dividend of 8.2% may have some investors worried about how sustainable it is, Inovalis has been fairly consistent in generating positive free cash flow.

In 2018, the company's free cash totalled $20 million and it paid out $17 million in cash dividends. The prior year was even stronger, with $28 million in free cash and a lower amount ($16 million) paid out in dividends.

While there's always going to be some risk for a stock paying this high of a yield, Inovalis looks to be in good shape if it can continue producing strong results.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CWB (Canadian Western Bank)
2. TSX:INO.UN (Inovalis Real Estate Investment Trust)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/08/21
Date Created
2019/08/21
Author
djagielski