



TFSA Investors: These 3 Dividend Stocks Are Crushing the TSX Index in 2019

Description

The year 2019 hasn't been a bad year for Canadian investors thus far. The **TSX Composite Index**, the benchmark index for the Canadian economy, is currently up 14.8% year to date.

The nature of an index is that it's the average of the performance of all of its underlying companies. Some stocks are doing much better than the TSX Composite, while others are doing much worse.

Many investors would much rather load up on the index's winners, taking comfort in the fact that these stocks are up for a reason. There are many high-quality stocks that seemingly always make new 52-week highs. You can buy these stocks on the dip, but don't wait much longer than that, as they hardly ever get really cheap.

Let's take a closer look at three dividend-paying stocks that have crushed the TSX Composite thus far in 2019 — companies that are poised to continue this outperformance in 2020 and beyond.

Dollarama

It seems like years ago, but back in late 2018, investors had real concerns about the long-term growth plans of **Dollarama Inc.** ([TSX:DOL](#)).

Remember, the company had just reported lackluster earnings which disappointed investors. The company's same-store sales, long a source of strength, increased a mere 3.1% compared to the same quarter last year.

While most Canadian retailers would be extremely pleased with that number, investors panicked after it was significantly under the 4.6% same-store sales growth posted in the same period last year.

Shares therefore plunged, eventually falling close to 40% from their peak and then bottoming at under \$32 each in January.

It turned out to be a great buying opportunity. Dollarama shares are up more than 65% from those

bottoms, recently surpassing \$51 per share. Not only did the company shrug off that lackluster quarter with better numbers recently, but it also secured a new growth market, acquiring 51% of Dollar City, a Latin American dollar store chain. The future looks bright.

The only thing that might disappoint investors is Dollarama's paltry 0.3% yield, but dividend growth has been stellar.

Northwest Healthcare

You don't expect to see big capital gains delivered by REITs, as the sector is inherently a little boring. But **Northwest Healthcare REIT** ([TSX:NWH.UN](#)) is bucking that trend with shares up more than 22% thus far in 2019. And remember, the stock pays a generous 6.9% yield, so the total return for 2019 so far is more than 25%.

Northwest owns health care-related real estate worldwide, including medical office buildings in Canada and Europe, hospitals in Brazil, and various properties in Australia and New Zealand, including hospitals and retirement homes.

Together, the portfolio consists of 169 properties spanning more than 13 million square feet of gross leasable space.

It's easy to like the [healthcare sector](#) going forward, too. Our aging population ensures ample expansion opportunities for the REIT in its current markets, with plenty of potential to move into new jurisdictions; one expansion choice would be to enter the United States, for instance.

Restaurant Brands

Restaurant Brands International Inc. ([TSX:QSR](#))([NYSE:QSR](#)) is absolutely crushing it thus far in 2019, with shares up more than 50% including dividends thus far this year.

The owner of Tim Hortons, Burger King, and Popeyes Chicken brands is doing a few very important things right. Tim Hortons sales are solid despite what this analyst [thinks is a misguided focus](#).

Burger King is doing a nice job using promotions to get people into the stores, and is aggressively expanding the concept around the world; the new Popeyes spicy chicken sandwich has been so popular that restaurants are all sold out.

Even after the huge run-up, Restaurant Brands still offers investors a 2.5% yield, a dividend that should keep increasing over time. It will likely be able to grow by adding brands to its portfolio over time.

CATEGORY

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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)

2. TSX:DOL (Dollarama Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:QSR (Restaurant Brands International Inc.)

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