Income Investors: 3 High-Yield Stocks to Boost Your TFSA Pension!

Description

Retirees and other income investors are always searching for top-quality dividend stocks to add to their TFSA income portfolios.

Let's take a look at three high-yield stocks to see if they deserve to be on your buy list today.

CIBC

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) raised its quarterly dividend by $0.04 to $1.44 per share when it released fiscal Q3 2019 results. This was the second increase this year for Canada's fifth-largest bank.

CIBC has relied heavily on the Canadian housing market to drive its profits over the past decade. The large exposure to a downturn in the housing sector is one reason the stock trades at a discount to its larger peers.

Management has moved to address the concern, and the market might not be fully appreciating the changes.

What's up?

CIBC spent more than US$5 billion in the past two years to acquire private banking assets in the United States. The U.S. unit helps diversify the revenue stream and provides a platform for CIBC to expand in the wealth management sector south of the border.

CIBC is also revamping its Canadian mortgage strategy to focus on more markets across the country. Historically, the bulk of its efforts have been in Toronto and Vancouver.

CIBC remains very profitable and has a strong capital position that will enable it to ride out potential economic weakness in Canada.

Investors who buy the stock today can pick up a 5.3% dividend yield.

Russel Metals

Russel Metals (TSX:RUS) is a leading metals distribution and processing company in North America with metals service centres, energy products, and steel distributors operating under a number of business names across Canada and throughout the United States.

The company has grown through a series of acquisitions over the years, and that trend should continue as the industry consolidates.

Management does a good job of navigating the constant uncertainties in the market caused by tariffs, trade wars, and economic cycles.

The stock is currently down handily from its 12-month high, giving investors an opportunity to buy Russel Metals at an attractive price and lock in a great dividend. The current quarterly payout of $0.38 per share provides a yield of 7.25%.

The company has a strong track record of maintaining the dividend during cyclical lows, so the distribution should be safe. Buying the stock at the current price of $21 also positions investors for some nice potential upside when the market recovers.

Inter Pipeline

Inter Pipeline (TSX:IPL) is key player in the Canadian energy sector with oil sands pipelines, conventional oil pipelines, and natural gas-processing assets.

The company is also building a $3.5 billion polypropylene plant that will convert propane into plastic that is used for the manufacturing of a variety of finished products. The Heartland Petrochemical Complex is targeted for completion in late 2021 and should generate additional annual EBITDA of at least $450 million.

The stock is down amid concerns the company might have to take on too much debt to complete the project. Management addressed the issue in the Q2 earnings report, indicating the company intends to sell its European liquids storage business to raise capital.

Investors can buy the stock for about $24 per share and pick up a solid 7.2% dividend yield. The board has raised the payout for 10 straight years.

The bottom line

CIBC, Russel Metals, and Inter Pipeline pay above-average dividends that should be safe. All three stocks appear cheap today and could deliver nice upside in the coming years.

If you have some cash sitting on the sidelines, these companies deserve to be on your radar for an income-focused TFSA portfolio.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:RUS (Russel Metals)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/08/24
Date Created
2019/09/26
Author
aswalker