# TFSA Investors: 3 Dividend Stocks Paying Up to 6.7%

## Description

Finding quality dividend stocks is important for a TFSA investor. In addition to a good yield, a diverse set of stock can help minimize the risk that investors will be exposed to, especially if the markets become even more volatile. Below are three stocks in three different industries that provide some great payouts and that will produce lots of dividend income.



**Hydro One Ltd** (TSX:H) is currently paying its shareholders a dividend of 3.9%. What's encouraging is that even though the stock hasn't been public for a long time, Hydro One has already increased its payouts multiple times.

The more times we see that happen, the better that it will be able to establish itself as a dividend growth stock, which will lead to more investors buying shares.

The stock has also risen more than 28% during the past year, and the great thing is that it can be a good buy even if a recession takes place. A strong base of recurring customers in Ontario means that the company will likely not have a lot of variability in its sales.

The utility provider can be an excellent way for investors to minimize their risk while also be able to earn a good return, padded by dividends. And at a price-to-book (P/B)  value of just 1.6, investors aren't paying much of a premium to own the stock today.

**First National Financial** (TSX:FN) is another great dividend stock for investors to add to their portfolios. First National is paying investors a dividend of about 4.9%. That's an excellent yield and one that could get boosted if the company gives shareholders a special dividend, which it's done in the past.

However, that will be contingent on how the company has performed over the years and shouldn't become an expectation.

The main reason First National may not be a good buy today is that the stock has simply done so well this year, already climbing more than 40% in 2019 and trading around its 52-week high. First Nationalis currently valued at more than five times its book value and 15 times earnings, and it could prove atad too expensive for value investors.

But with the economy still performing very well, the company could continue producing strong results, and it could be a great way to diversify into the financial sector without directly investing in a big bank stock.

**Rogers Sugar** (TSX:RSI) offers investors the highest yield of the three stocks listed here, at a dividend rate of 6.7%, and that's been the main why investors have been able to earn a return from the stock; Rogers Sugar has fallen by 1% this year, being unable to sustain the good returns it was making earlier in the year. Over the past six months, its share price has fallen by 11%.

However, the company still produces strong and stable profits, which is crucial for a dividend to be able to continue. And what's good news for dividend investors is that Rogers Sugar doesn't go on wild swings and it could be a good way to insulate your portfolio.

Over the past three years, Rogers Sugar has averaged a beta of close to 0.50, indicating that the stock is about half as volatile as the market.



At a P/B of 1.6 and a price-to-earnings multiple of around 14, the stock is very modestly priced, suggesting that even if the markets struggle, Rogers Sugar may not be a big risk to see a major correction in its share price.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:FN (First National Financial Corporation)
2. TSX:H (Hydro One Limited)
3. TSX:RSI (Rogers Sugar Inc.)

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**Date**

2025/07/02
**Date Created**
2019/10/10
**Author**
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