Thank the Dividend Gods for These 3 Stocks

Description

Dividend investing is a great way to create passive income. The strategy can work wonders for you with stocks like **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) or CIBC, **Pembina** (TSX:PPL)(NYSE:PBA), and **Capital Power** (TSX:CPX). You can thank the dividend gods for these three stocks.

High-yield bank stock

CIBC is the hands-down choice among the Big Five Canadian banks because it pays the highest dividend. Not only that, the bank has been paying dividends for 151 years. For dividend investors, this stock alone can make you wealthy. With the yield of 5.24%, your total return for 20 years could top 758.25% with dividend reinvesting.

When it comes to providing retiring baby boomers with an adequate income stream for sustenance during the sunset years, this $48.95 stock is a reliable one. On the other hand, individuals in the early 20s can kick off their wealth-building activities by investing in CIBC.

CIBC is no longer concentrating on the Canadian market. The bank is delivering stellar financial results because the expansion in the international market is starting to pay off. In the next couple of years, CIBC expects its banking segments abroad to contribute 25% of the bank’s total revenue.

No-brainer buy

Another no-brainer buy is Pembina. This $45.1 billion oil and gas midstream company from Calgary, Canada, is a dividend machine. It pays a 5% dividend, which could translate to a total return of 428.23%, or an average annual return of 18.12% in 10 years. This incredible return is based on a historical fact.

Retirees are the beneficiaries of Pembina’s outstanding record of dividend payments. Other dividend stocks would find it difficult to match the company’s 19% compound growth and 5% average dividend growth over the last 10 years. Your passive income from Pembina today could be your active income during retirement.

Pembina is a steady performer on the **TSX**. The stock is up 20.6% year to date, and analysts covering the stock see a potential price appreciation of 31.5% in the coming months. Aside from being a recession-resistant stock, you'll get two bonuses from the high dividends and the capital gain.

Going green energy

Capital Power is keeping TFSA investors happy because of its juicy 6.19% dividend. This $3.31 billion regulated company has been in operation for 128 years. It acquires, develops, and operates power generation facilities in Canada and the U.S. At present, the total power generating capacity is 5,100 megawatts.

The company has been using coal-powered plants to generate electricity. After a successful transition, it can generate electricity from gas, coal, wind, waste heat, solid fuels, and solar plus natural and landfill gas. Capital Power is focusing more on safer green energy.

TFSA investors see Capital Power as a reliable dividend stock to grow money. The regulated electricity business is a legitimate cash cow because of the contracted client portfolio. Cash flows are stable and growing. The company expects to meet its year-end growth target of 31.7%.

The clear message

The main point of investing in established dividend payers is to see the dividend come in without fail. CIBC, Pembina, and Capital Power are all financially healthy and capable of paying your dividends promptly.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:CPX (Capital Power Corporation)
5. TSX:PPL (Pembina Pipeline Corporation)

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