3 Top Dividend Stocks to Buy in November

Description

Now in the fourth quarter of the year, earnings are going to ramp up in the coming weeks. November in particular, is a busy month for dividend stocks. There are a slew of Canadian Dividend Aristocrats scheduled to raise dividends next month.

Aristocrats are companies who have raised dividends for at least five consecutive years. When a company raises its dividend, it indicates confidence. This usually results in an uptick in share price. As such, investors should consider taking a position in these three stocks before they announce a dividend increase.

Manulife Financial

One of Canada's premier insurance companies, **Manulife Financial** (TSX:MFC)(NYSE:MFC) is scheduled to report earnings the first week of November. After losing its status as a Dividend Aristocrat during the financial crisis, Manulife has since returned to dividend growth.

Manulife has a five-year dividend growth streak and over that period has raised dividends by an average of approximately Stocks to Buy10% annually. It has a very respectable payout ratio of 33.26%, and as such, investors can expect healthy dividend growth into the future.

The company's Asian segment has been a bright spot for the company and is the primary growth driver. Earnings are expected to grow by approximately 9% annually over the next five years.

Canadian Tire Corp

One of the most recognized brands in the country, **Canadian Tire** (TSX:CTC.A) has struggled in 2019. Although it has rebounded off lows, the company is up just 1.2% thus far, which is far below the TSX Index's 15% gain in year.

Canadian Tire has an eight-year dividend growth streak and one of the highest dividend growth rates in the country, averaging almost 20% dividend growth over the past five years and currently yielding 2.88%.

Despite its size and recent struggles, however, Canadian Tire is still expected to grow at a decent rate. Earnings are expected to grow by 9% annually. In recent years, growth has been spurred by strategic acquisitions, a model that will be the backbone of its growth strategy moving forward.

Thanks to this year's underperformance, Canadian Tire is cheap. The company is trading at a discount to its historical P/E and P/B averages and is trading at only 10 times forward earnings. Of the 13 analysts covering the company, 12 rate is a buy or strong buy. They have a one-year price target of $171 per share at writing.

Although there's a risk that synergies aren't realized, if executed properly, a growth through acquisition strategy can yield outsized results. Canadian Tire is a sleeping giant.

Magellan Aerospace

If you're looking for an off-the-board suggestion, consider **Magellan Aerospace** (TSX:MAL). Magellan designs, engineers and manufactures aerospace engines and parts. The company is one that doesn't get much exposure and typically flies under the radar.

Year to date, the company has lost 1.2% of its value as trade wars have taken centre stage. The good news is that the company is on solid financial footing and well positioned for double-digit growth. Analysts are expecting an average annual growth rate of 11% over the next five years.

It has a six-year dividend growth streak and has raised dividends by the double digits annually. Last November, it raised dividends by 15%. With a payout ratio of only 25%, don't expect it to slow down anytime soon.

Analysts expect big things out of the company. They have a one-year estimate of $21.33 per share, which implies 44% upside from today's price of $14.80 per share at writing.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:MFC (Manulife Financial Corporation)

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