



Revealed: These 3 Dividend Heavyweights Are Massive Buys in December

Description

Every investor knows to buy the best stocks over the long term. What makes a market is that everyone's definition of the best is different. Some folks like aggressive growers, while others like boring value stocks. Everyone is unique, and that's reflected in their investment choices.

Most investors ignore any short-term price movements. The market's day-to-day gyrations are nothing more than noise, chatter to be ignored because it interferes with [long-term](#) thinking.

While I'd never advocate day trading or any other purely short-term strategy, recent moves in a stock price shouldn't be completely ignored. Stocks that are trending downward tend to continue doing so. Shares that are marching higher will often see that positive momentum continue. When investors combine good short-term moves with excellent long-term investments, it can lead to outstanding returns.

Let's take a closer look at three top stocks that should deliver solid short-term returns in December and long-term returns over the next decade or two.

Brookfield Renewable

It seems like **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is doing everything right. Shares are up more than 50% in the last year, and that doesn't even include the generous dividend.

The company has posted some excellent results lately. In its latest quarter, funds from operations increased some 30%, rising from US\$0.33 to US\$0.43 per share. For the first three quarters of the year, funds from operations checked in at US\$1.90 per unit, a significant upgrade from last year's results of US\$1.50 per unit.

The company also announced plans to create a separate Canadian corporation, a spin-off that should increase demand from retail investors, and be eligible for inclusion in certain kinds of ETFs. Investors obviously liked the news; the stock is up nearly 10% since the spin-off was announced and is currently flirting with an all-time high.

That's the kind of momentum that should entice short-term investors. And you can't argue with the quality of Brookfield's renewable energy portfolio over the long term.

And remember, long-term investors, the stock pays a 4.4% dividend, a payout that should increase 5% to 8% annually going forward.

Genworth MI Canada

After years in the proverbial doghouse, investors have finally figured out **Genworth MI Canada** (TSX:MIC) is in an excellent business.

The mortgage default insurance provider was seemingly always under attack by short-sellers, bears who were convinced an American-style [housing correction](#) would come to Canada and destroy Genworth. To the company's credit, it ignored all these naysayers and kept chugging along. It's now in a great spot with a solid balance sheet. There are still investors who are convinced Genworth is doomed, but they don't get too much attention any longer.

Brookfield Business Partners recently agreed to acquire a majority stake in Genworth Canada, which further added legitimacy to the stock. Speculators are now buying up the stock thinking a bid to purchase the whole thing is coming. That has been enough to propel the stock to a fresh all-time high.

Despite the run-up, Genworth shares are still reasonably valued today, at just 11.8 times earnings. And investors are getting a 3.8% yield while they wait for a potential takeover.

Goeasy

Since coming out with its signature unsecured loan back in 2013, subprime finance company **Goeasy** ([TSX:GSY](#)) has been one of the best performing stocks on the entire Toronto Stock Exchange.

Analysts don't anticipate the growth will stop anytime soon, either. They project the company will earn around \$5 per share in 2019. The bottom line should increase to approximately \$7 per share next year. Remember, shares trade at just under \$70 today. That means the stock is at a mere 10 times forward earnings, remarkably low for a company that's projected to grow the bottom line by 40% next year.

Goeasy also has significant momentum today. Just a month ago, shares traded at \$60 each. And the stock was under \$50 just six months ago. Look for the stock to continue its short-term gains through December.

Goeasy has posted excellent long-term returns as well. Including reinvested dividends, shares are up an eye-popping 962% over the last decade. That works out to a 26.6% annual return.

The stock also pays a decent dividend, with the current yield at 1.8%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:GSY (goeasy Ltd.)

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Author

nelsonpsmith

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