TFSA Investors: 2 Dividend Beasts to Buy in December

Description

When we kicked off this week, I'd warned investors of high valuations on the **TSX** and suggested that now may be a good time to reinvest profits into dividend stocks. The **S&P/TSX Composite Index** was down 105 points in early afternoon trading on December 3, which may or may not be the start of a trend as we head into 2020.

Regardless, today I want to look at two stocks that qualify as Dividend Aristocrats.

A dividend aristocrat on the TSX is a stock that has achieved at least five consecutive years of dividend growth. Not only do these stocks qualify, but they are also large caps that are worth trusting in the long term. Let's dive in.

Canadian Imperial Bank of Commerce

In late November I'd ranked my top five bank stocks before the next batch of earnings. **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) stood at number one, largely due to its value and its dividend yield. While it's the smallest of the Big Five, its dividend yield hits above its weight and the improving housing market in Canada is reason for optimism.

Shares of CIBC have climbed 17.4% in 2019 at the time of this writing, and it's set to release its fourth quarter and full-year results for 2019 on December 5.

In the third quarter, CIBC reported adjusted net income of $1.41 billion, up 4% from the prior quarter. CIBC's U.S. Commercial Banking and Wealth Management division led the way, posting net income growth of 6%.

The bank last increased its quarterly dividend to $1.44 per share, representing a 5% yield. It has delivered dividend growth for eight consecutive years. CIBC stock still offers solid value as it boasts a price-to-earnings ratio of 10 and a price-to-book value of 1.4.

BCE

Several of the top telecoms have been a reliable source of income and capital growth in 2019. **BCE** (TSX:BCE)(NYSE:BCE) deserves to be listed in that crop. Shares have increased 22.3% in 2019 so far.

Telecoms typically offer a wide moat and a steady history of dividend-growth, making them prime targets for income investors. This is especially true in an environment that has seen bond yields retreat this year.

BCE saw adjusted EBITDA rise 5.6% year over year in Q3 2019, driven by 1.8% revenue growth. The telecom reported record wireless net additions in the quarter, which has been a pattern for the top telecoms over the past several quarters.

This has in part made up for the rise in cord-cutting among consumers. Investors can expect to see its fourth-quarter and full-year results in early 2019.

The stock last paid out a quarterly dividend of $0.7925 per share, which also represents a strong 5% yield. BCE has achieved dividend growth for 10 consecutive years.

Investors are obviously not getting the value they could have when 2019 started, as BCE has gained considerable momentum, although the stock still possesses a P/E ratio below 20 and a P/B value of 3.4.

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Date
2025/09/09
Date Created
2019/12/03
Author
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