Canadians: Here Are the Dividends You'll Receive With $20,000 Invested in Enbridge (TSX:ENB) and CIBC (TSX:CM)

Description

Last week, I'd discussed two of my favourite dividend heavyweights to hold in a Tax-Free Savings Account (TFSA) as we start a new decade. These equities are always on my radar, as the companies in question have demonstrated organizational excellence over a long period of time. Better yet, they have proven their commitment to rewarding shareholders.

Today, I want to explore how far a $20,000 investment in these equities can get investors right now. Stocks that pay out consistent income are well worth holding in a portfolio for the long term. Not only do these equities provide double the punch during periods of market expansion, but they also give investors a boon during turbulent episodes.

In this hypothetical, we are going to dole out $20,000 in two of the top dividend stocks on the TSX. What kind of dividend payments can investors expect with this investment? Let's dive in and find out.

Enbridge (TSX:ENB)(NYSE:ENB) is the third-largest stock on the S&P/TSX Composite Index by market cap. Shares of the energy infrastructure giant have built significant momentum on the back of strong earnings and promising regulatory victories. The stock has increased 19% year over year as of close on January 28.

The company is set to release its fourth-quarter and full-year results for fiscal 2019 before markets open on February 14. In the third quarter, GAAP earnings surged to $949 million, or $0.47 per share, compared to a GAAP loss of $90 million, or $0.05 per share, in the prior year. It continued progress on its Line 3 Replacement Project in the United States, as the Minnesota Supreme Court rejected Environment Impact Statement (EIS) appeals.

Enbridge last paid out a quarterly dividend of $0.738 per share, which represents a strong 6% yield. It has achieved dividend growth for over 20 consecutive years. The stock last closed at $54.10 per share at the time of this writing. A purchase of 184 shares would bring us below that $10,000 threshold. Those shares would net investors a quarterly payout of $135. On an annual basis, that works out to over $540 in investment income.

Earlier this month, I'd explained why **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) was still one of my top bank stocks even after a less-than-stellar 2019. Shares of CIBC have increased 4.2% year over year as of close on January 28. Shares are down 1.1% over the past three months.

Once a leader in the housing space among its peers, CIBC fell behind when the market corrected in 2017 and 2018. It has vowed to invest in bolstering its mortgage portfolio in this fiscal year. The bank boasts an immaculate balance sheet and offers up some of the best value of its peers. Shares last had a favourable price-to-earnings ratio of 9.7 and a price-to-book value of 1.3.

CIBC may be the fifth largest of the Big Six Canadian banks, but its dividend packs a wallop. The bank last increased its quarterly dividend to $1.44 per share. At the time of this writing, that represents a 5.2% yield. The stock last closed at $109.45. A purchase of 91 shares of CIBC stock brings us under the $10,000 threshold. Those 91 shares would net shareholders $131 paid quarterly. On an annual basis, investors would gobble up over $520 in dividend income.

CATEGORY

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2. NYSE:ENB (Enbridge Inc.)
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