



## 3 Stocks That Raised Dividends in June

### Description

Income investors who rely on stable and steady dividends in retirement haven't had much to cheer about recently. Dividends stocks have been highly volatile, and investors are rightfully nervous. However, there is [some good news](#). For the first time since the pandemic began, dividends are stabilizing. This means that we are seeing [fewer dividend cuts](#) and more dividend raises.

In fact, June saw the first case of a company returning to dividend growth after announcing a cut only a couple of months earlier. Today, we'll focus on this good news, as we recap the companies that raised dividends in June.

	Old	New	Percentage	Date
<b>Arc Resources</b> ( <a href="#">TSX:ARX</a> )	\$0.02	\$0.06	200.00%	06/12/2020
<b>B2Gold</b> ( <a href="#">TSX:BTO</a> )(NYSE:BTG)	\$0.01	\$0.01	100.00%	06/12/2020
<b>Empire Company</b> ( <a href="#">TSX:EMP.A</a> )	\$0.12	\$0.13	8.30%	06/18/2020

## A Canadian Dividend Aristocrat

In June, there were several Canadian Dividend Aristocrats scheduled to raise dividends. Unfortunately, only one came through for income investors — Empire Company. Empire is the first Aristocrat to raise the dividend since early May, and the next batch of raises from this group will not come until August.

It is not surprising that the company was able to announce a dividend raise in this environment. As one of the largest grocery chains in the country, it is an essential service.

The 8.30% raise extended the company's dividend-growth streak to 26 years, which is tied for the seventh-longest streak in the country. This makes it one of the most reliable dividend stocks in the country.

## **A cheap gold stock**

The gold industry is definitely the place to be at the moment. Analysts are calling for gold to break all-time-high records, and \$2,000 gold by the end of year is possible. Given strong gold prices, producers such as B2Gold are returning to dividend growth.

B2Gold only recently began paying a dividend, with its first payout occurring last November. Less than a year later, and B2Gold doubled the dividend from a penny to \$0.02 per share. Worth noting, B2Gold pays the dividend in U.S. dollars.

This senior producer is on pace to reward investors for years to come. It is growing production, reducing costs, and, at today's gold prices, is generating significant cash flows. Gold companies are quietly becoming reliable dividends stocks.

## **A surprise raise**

In mid-March, Arc Resources was one of the first TSX-listed companies to cut the dividend. At the time, it slashed the dividend from \$0.05 to \$0.02 per share — a 60% cut. Less than two months later, it shocked the markets when it declared a dividend of \$0.06 per share.

Not only did this represent a 200% raise, but it is also higher than the pre-pandemic dividend. It is the first company to announce a dividend raise after cutting or suspending the dividend at the height of the pandemic. Will others follow suit? It is too early to tell, but Arc's raise is certainly a positive development.

However, investors should approach with caution, as the company isn't out of the woods just yet. Approximately three-quarters of production is tied to natural gas. Although the price of natural gas has bounced off March lows, it began crashing again in June. So long as spot prices remain below \$2 per million BTU, Arc's dividend is far from safe.

## **Are these dividend stocks buys today?**

Give our current environment, both Empire and B2Gold make for excellent dividend stocks. They are defensive in nature and should continue to do well in light of the current volatility. Furthermore, both are likely to outperform if we see another wave of the pandemic wreck havoc on the economy.

For its part, Arc Resources remains a speculative investment. The price of natural gas is still facing considerable headwinds and is trading near decade lows. Until the fundamentals improve, the company's stock is only for high-risk investors.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:ARX (ARC Resources Ltd.)
3. TSX:BTO (B2Gold Corp.)
4. TSX:EMP.A (Empire Company Limited)

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