2 TSX Dividend Stars to Buy Now

Description

Given the current economic conditions, the stock market seems unsettled as of late. For short-term investors, this means caution must be exercised. However, long-term investors can take the opportunity to load up on dividend stars with juicy yields.

While there are sure to be some bumps in the road, short-term price movements aren't of great concern to long-term investors. Instead, these investors can focus on companies that have the resiliency to weather the storm and deliver results over the long run.

When it comes to dividend stars specifically, investors need to be mindful of the sustainability of the yield on offer. A massive yield is worthless to investors if it can't be paid anyway.

Today, we'll look at two TSX stocks with great dividends for long-term investors.

Shaw

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is a large Canadian telecom company specialising in TV, internet, landline, and mobile services.

While Shaw has traditionally focused its efforts in western Canada, it's made great strides with its Freedom Mobile brand in Ontario as well.

It's one of the fastest-growing mobile brands and has been a driver for this dividend star's overall growth recently. With 5G set to roll out in Canada soon, that could be another chance for Shaw's Freedom Mobile to take another huge step in the right direction.

Now, frankly, Freedom Mobile's share of the Canadian market is quite small. Despite being the fourth-largest mobile network in Canada, it only has a market share of about 5%.

So, it definitely has its work cut out in order to really break through and grab a bigger piece of the pie.

In any case, Shaw has quite a healthy balance sheet overall. Year-over-year quarterly revenue growth has slumped to -0.8%, but that's for a period in which many stocks posted double-digit negative figures.

It also has a more manageable payout ratio than some of its peers and its yield of 6.98% as of this writing is mouth-watering for long-term investors.

With this dividend star, you can get both a massive yield and exciting growth prospects for the future.

Manulife

Manulife Financial (TSX:MFC)(NYSE:MFC) is a large Canadian financial service and insurance provider. Beyond its strong presence in Canada, it also has various operations in the U.S. and Asia.

Given the state of the economy as well as extremely low interest rates, it's not surprising to see this dividend star has struggled recently. Year-over-year quarterly revenue growth is at -15%, and earnings growth for the same period is a staggering -46.8%.

Despite this, the payout ratio is still only 44.4% with a 5.94% yield as of this writing. This stock seems to have a sturdy balance sheet, despite recent results, and is prepared to continue paying its yield.

Plus, its diverse range of offerings should help it to recover as the economy rebounds. With a yield exceeding the five-year average yield, long-term investors can lock in outsized dividend payments with MFC now.

There could still be further headwinds, but MFC has the resiliency to weather the storm.

Dividend stars

Both these dividend stars can offer investors good value for money over the long run. Both have solid defensive qualities and sustainable but large yields on offer.

If you're looking to add some big yields for long-term investing, these stocks ought to be near the top of the shopping list.

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1. Dividend Stocks
2. Investing

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:MFC (Manulife Financial Corporation)
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jagseguin