Canadians: 3 Dividend Aristocrats to Hold in Your RRSP Forever

Description

Earlier this week, I'd discussed several monthly dividend stocks that are perfect for an RRSP portfolio. North American stocks have responded surprisingly well to a chaotic United States Presidential election. Regardless, retirement investors should still look to exercise caution after a very tumultuous 2020.

Today, I want to look at three **TSX** stocks that qualify as Dividend Aristocrats. These stocks have managed to achieve consistent dividend growth over the years. RRSP investors should be eager to hold stocks like this for the long term.

RRSP investors: This dividend aristocrat is about to be crowned

Fortis (TSX:FTS)(NYSE:FTS) is one of the largest utility holding companies in Canada. Its shares have climbed 2.5% in 2020 as of close on November 5. Around this time last year, I'd explained why Fortis was an elite dividend stock worth holding for decades to come. Not only does Fortis qualify as a Dividend Aristocrat, but it's on its way to becoming a dividend king — that is, achieving at least 50 consecutive years of dividend growth.

Moreover, RRSP investors can also count on its stability in this shaky economy. Utilities have hummed along due to their role as essential services during the COVID-19 pandemic. In Q3 2020, Fortis achieved adjusted net earnings of $0.65 per share. Moreover, it increased its five-year capital plan by $0.8 billion to $19.6 billion. Better yet, it announced a 5.8% dividend increase, marking 47 consecutive years of dividend increases.

Shares of Fortis possess a very solid price-to-earnings ratio of 20 and a price-to-book value of 1.4. It now offers a quarterly dividend of $0.505 per share, representing a 3.7% yield.

Don’t underestimate this regional bank with a strong dividend history

Canadian Western Bank (TSX:CWB) is a regional bank that boasts a big footprint in the western part of the country. Shares of Canadian Western have dropped 16% so far this year. RRSP investors should consider this regional bank stock that has managed to put together a dividend-growth streak much longer than its larger peers.

In the third quarter of 2020, Canadian Western reported total revenue growth of 4% to $226.5 million. Meanwhile, loans rose 5% to $29.7 billion and branch-raised deposits surged 22% to $16 billion. Investors can expect to see its Q4 and full-year 2020 results in late November or early December.

Canadian Western qualifies as a dividend-aristocrat as it has delivered dividend-growth for 28 straight years. It offers a quarterly dividend of $0.29 per share, which represents a solid 4.4% yield. Better yet for RRSP investors, this stock last had a P/E ratio of 8.9 and a P/B value of 0.8, putting Canadian Western is very attractive value territory.

One more Dividend Aristocrat for your RRSP

The last Dividend Aristocrat I want to look at today is **Manulife Financial** (TSX:MFC)(NYSE:MFC). Its shares have dropped 25% in 2020. The company is set to release its third-quarter 2020 results on November 11.

In Q2 2020, Manulife reported core earnings of $1.6 billion – up 5% from the prior year. Meanwhile, Wealth Asset Management inflows hit $5.1 billion, up from neutral net flows in the second quarter of 2019.

Manulife has delivered six consecutive years of dividend growth. RRSP investors can count on its quarterly dividend of $0.28 per share, which represents a strong 5.9% yield. Moreover, this Dividend Aristocrat possesses a very favourable P/E ratio of 9.7 and a P/B value of 0.7.

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aocallaghan