3 Dividend Stocks Set to Increase in January 2021

Description

Canadians finished off 2020 on a fairly positive note. A vaccine has started to be distributed across the country. The stock market was up on a rally at the end of the year. And now, with companies on a high note, dividend stocks are hoping to increase yields for the first time in a year, in some cases.

So, let's take a look at some dividend stocks that either already have, or are expected to, increase the dividend.

Enbridge

Let's start out with a company that's already increased its dividend. **Enbridge** (TSX:ENB)(NYSE:ENB) still has a way to go when it comes to its shares. The company fell with the rest of the energy sector years ago and is still climbing its way back up, especially after the crash. However, with a vaccine now available, it could be the company's time to shine.

It looks like management agrees. Production is getting underway on pipelines, and hopefully there will be an end to the glut in oil production. With long-term contracts that will see Enbridge on solid ground for decades, its dividend stocks like these you'll want to hold onto. The company recently increased its dividend by 3% to where it is now at 7.6% as of writing.

CP Rail

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is another company that ended the year on a high note. The company set a record in grain shipment, and analysts believe it will see a solid full-year earnings reports. That comes from the company also taking on more and more oil shipping. In fact, the company announced it had had the best year, quarter, and even December on record!

That leaves little doubt that there will be another dividend increase, which is likely during its full-year report on Jan. 27, 2021. In fact, while the company dropped the dividend down in February 2020, it has seen brought it back up each quarter to where it is now past what it was before the crash. So, we can almost guarantee yet another dividend increase. That's along with an increase in share price, which is already up a whopping 73% since the crash.

CNR

Of course, if CP Rail is reporting its full year, so too is the other half of the duopoly, **Canadian National Railway** (TSX:CNR)(NYSE:CNI). It's likely to see its dividend grow as well, and for many of the same reasons. Another increase in grain, another strong takeover of oil and gas, and another strong year for the company.

While shares are up only 46% compared to CP Rail, it's still a great buy, especially if you're wanting a dividend increase. The company didn't have as strong of a year as CP Rail, but it's still strong enough that you can probably predict another dividend increase. The company didn't drop its dividend as CP Rail did back in January 2020. But that was when the last increase happened, so investors wouldn't be crazy to expect another one after a strong year. Currently, you can receive a 1.59% dividend yield from CNR.

Bottom line

Dividend stocks are practically a must right now, and all three of these companies have seen positive movement both in share price and through dividend yield. So, if you're looking for extra cash, you can lock in some great yields before another boost in shares and dividends.

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alegatewolfe