Got $1,000 to Spend? Invest in These 2 Stocks Instead!

Description

Money is tight or hard to come by these days, given the high unemployment rate and job uncertainties. The federal government kept its promise to not leave people behind while the COVID-19 pandemic continues to impact household finances and income.

However, Canadians with free but have as little as $1,000 cash can invest in dividend stocks. While the amount isn't much, it will still work to produce extra money on the side. Also, if you can't afford to lose meagre savings, **Canadian Western Bank** (TSX:CWB) and **Shaw Communications** (TSX:SJR.B)(NYSE:SJR) are attractive investment options. Both stocks offer at least 3.5% in dividends.

Dividend aristocrat

Canadian Western Bank is a regional bank, yet it belongs to the TSX's illustrious list of dividend aristocrats. At $32.41 per share, the $2.82 billion lender from Edmonton, Canada, pays a decent 3.58% dividend. Over the last 37 years, the total return is 1,246.91% (7.3% CAGR). The year-to-date gain is 14.19%.

CWB is Canada's seventh-largest bank and the country's leading regional bank. It offers pretty much the same financial services as that of the Big Banks. The top services include personal and business banking, and wealth management. Small and medium-sized companies are the predominant client base.

The bank's network of branches is quite extensive too, but the presence is huge in the western parts of the country. CWB has a heightened focus on equipment financing, general commercial, construction, and real estate project financing.

CWB takes pride in its long-established history in equipment leasing that is now 45 years. It's the go-to bank for small and mid-sized equipment leasing. The bank also provides specialized financing solutions to customers in the health care, hospitality, transportation, and real estate sectors. Management has raised dividends for 28 straight calendar years.

Bright outlook

Shaw Communications has had a significant jump following the news that **Rogers Communications** will acquire the $16.77 billion company. If regulators approve the mega-merger, it will give rise to the second-largest telecommunications firm in Canada.

Investors are more than satisfied with the telco stock's current performance. Shaw's year-to-date gain is 52.22%. The share price is $33.57, while the dividend yield is 3.53%. Over the last 38 years, the total return is 25,767.38% (15.72% CAGR).

Telecommunications companies in Canada operate in a near-monopoly. Shaw is one of the largest providers of residential communication services. in Canada. It owns an extensive fiber network (860,000 kilometers). The services to companies of all sizes include data networking, video, voice, and the Internet.

The wireline business contributes about 80% to total revenues. Shaw's wireless segment delivers the rest. (20%) segments. **Walmart** and **Loblaw** are the retail partners in the expanding wireless retail distribution infrastructure. The company also boasts strategic partnerships with top industry names such as **Cisco**, **Comcast**, and **Nokia**. These are Shaw's competitive advantages.

Shaw and Rogers face regulatory hurdles, particularly on the wireless side. The Canadian government has long been open to welcome new players in the telecommunication space to bring down prices. However, both companies argue that the merger will pave the way for multi-billion-dollar investments in network upgrades.

Not a waste of money

Don't waste your $1,000 on less stable dividend payers. Canadian Western Bank is a Dividend Aristocrat, while Shaw Communications' business outlook is superb. Prospective investors will have a pair of excellent dividend plays.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:SJR.B (Shaw Communications)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/06/28
Date Created
2021/04/12
Author
cliew