



The 3 Smartest Dividend Stocks to Buy With \$800

Description

No investors have successfully timed the stock market. Even billionaire Warren Buffett hasn't attempted it, because he knows it's a waste of time. However, you can still be successful, even with only \$800. The key is to buy the smartest [dividend stocks](#). Whether the market is surging or declining, the businesses will deliver.

Must-own asset

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) is one of the most [prolific income providers](#) on the TSX. This dividend payer belongs to the select few that you buy today with no worries, regardless of the economic environment. The \$29.44 billion crude oil and natural gas producer was established in 1880 and began paying dividends in 1881.

From that time on, Imperial Oil hasn't missed a single dividend payment. Management also raised the dividend in each year since 1995 (26 years). It's also an excellent time to take a position, given the red-hot performance of the energy sector in 2021.

At \$41.79 per share, Imperial Oil investors enjoy a 76.92% year-to-date gain on top of the 2.35% dividend yield. Your overall return could be higher if the price continues to soar. The company is having a great year, posting an average \$379 million in net income in Q1 and Q2 versus the average net loss of \$357 million of the same quarters in 2020.

Overlooked Dividend Aristocrat

Most investors focus on the Big Six Canadian banks and overlook the **Canadian Western Bank** ([TSX:CWB](#)). Besides being a Schedule I bank, this lender is a super-regional bank. You can sit pretty once you own the asset, given CWB's [Dividend Aristocrat](#) status.

The \$3.34 billion bank has raised its dividends for 28 consecutive years. CWB has been steady since last year. It has returned 43.23% in one year and is up 35.72% year to date. Market analysts

recommend a strong buy rating and forecast the price to climb from \$37.90 to \$41.92 (+10.6%) in the next 12 months.

CWB's net income growth year to date in fiscal 2021 (nine quarters ended July 31, 2021) versus the same period in fiscal 2020 is 28%. Its president and CEO Chris Fowler said, "We continued to drive strong growth of lower-cost branch-raised deposits, and our quarterly loan growth remains at one of the strongest levels in our history."

Management expects to end this fiscal year with a 20% growth in adjusted earnings per common share. Fowler credits CWB's remarkable loan growth to prudent lending structures. Also, the bank is strongest in branch-raised deposits.

An industry with solid fundamentals

Automotive Properties ([TSX:APR.UN](#)) is an attractive option for income investors. Besides the high yield, Canada's auto industry is resilient. The \$496.92 million real estate investment trust (REIT) owns 66 automotive dealership properties that cater to the mass market segment or high-end buyers.

Because of the industry's strong fundamentals, the rental business endured a downturn in 2020. Brisk sales are back, given the REIT's operating results in the first half of 2021. From a net loss of \$7.6 million last year, management reported \$44.18 million in net income.

Moreover, it collected 100% of the rent due in July and August 2021. Automotive Properties trades at \$12.72 per share and pays a generous 6.3% dividend if you invest today.

Top choices

Canadians need only to choose reliable income providers for \$800 in capital to produce income streams. The three dividend stocks in focus are the top choices for business resiliency and payout consistency.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
3. TSX:CWB (Canadian Western Bank)
4. TSX:IMO (Imperial Oil Limited)

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Date

2025/08/19

Date Created

2021/10/07

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