Got $5,000? 3 Dividend Stocks to Stash Your Cash

Description

Canadians with $5,000 and have the appetite to invest can stash their cash in dividend stocks. **TC Energy** (TSX:TRP)(NYSE:TRP), **Extendicare** (TSX:EXE), and **WPT Industrial** (TSX:WIR.U) are the top choices today because of business resiliency and dividend safety. Also, all three are steady performers in 2021.

Dividend investing is a way to make more money, earn extra income, or hedge against inflation. Moreover, the payout is your financial cushion if the price dips. Conversely, if it spikes, you realize capital gains on top of the dividends. Thus, the overall return could be higher.

Growing dividends

TC Energy is one of the major players in North America's energy sector. The $60.81 billion energy infrastructure company has a solid dividend track record despite the recurrent industry headwinds. At $62.12 per share (+25.24% year-to-date), the dividend offer is 5.6%. Would-be investors can expect growing payouts, given the 21 consecutive years of dividend increases.

Management boasts of a diversified portfolio of high-quality, long-life assets. The core business segments plus the ever-increasing demand for energy is why TC Energy maintains financial strength. The more than $1 billion asset base should rise further due to the $21 billion worth of secured growth projects.

In late July 2021, TC Energy finalized an agreement with the Department of National Defense. The company will construct the Ontario Pumped Storage Project, the province's largest energy storage project. It could deliver $250 million in savings to electricity consumers.

Operations are stabilizing

Extendicare pays a hefty 6.72% dividend, and the current share price of $7.14 is a reasonable entry point. The level is more or less the same as in early March 2020 before the COVID-19 breakout. Now that operations are stabilizing, market analysts predict an upside potential of 19.05% to $8.50 in the next 12 months.

The $639.48 million provider of housing care and related services endured the crisis. In the first half of 2021, revenue and net operating income increased 14% and 42% versus the same period last year. Notably, Extendicare had net earnings of $9.28 million compared to the $7.62 million net loss in the first half of 2020.

Extendicare has occupancy protection funding. In Ontario, all long-term care (LTC) facilities received basic funding protection until August 2021. However, management expects occupancy softness in the winter months.

Top-performing REIT

WPT Industrial pays a lower dividend (3.5%) compared to TC Energy and Extendicare. However, the real estate stock is a valuable addition to your portfolio due to business stability. Moreover, the $1.81 billion real estate investment trust (REIT) is the sector's top performer with its +50.17% year-to-date gain.

At $21.70 per share, the trailing one-year price return is 72.22%. WPT owns and leases out 111 institutional-quality distribution and logistics properties. The locations are in the top-tier U.S. markets. Tenants sign triple-net leases, which means they, not WPT, spend for costs and other related expenses operating the world-class industrial properties.

WPT benefits from the e-commerce boom. Its tenant base consists of distributors, third-party logistics providers, food & beverage, and traditional retailers. The 177% net income growth in the first half of 2021 versus the same period in 2021 reflects WPT's thriving rental business.

Excellent income stocks

The dividend stocks in focus are excellent for income investors. Your $5,000 capital can generate recurring cash flows or compound if you keep reinvesting the dividends.

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1. Dividend Stocks
2. Energy Stocks
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cliew