Spread the Risk: 3 Income Stocks Paying +4% Dividends

Description

A single-stock investment is no longer advisable in the current environment. While the stock market continues to grow, it remains unpredictable. Thus, investors create a stock portfolio instead of holding only one to mitigate the risks. Today, rising inflation is a major concern such that earning investment income is a must.

Fortunately, Canadians can spread the risks and still generate substantial extra income to cope with inflation. **TELUS** (TSX:T)(TSX:TU), **Russel Metals** (TSX:RUS), and **Transcontinental** (TSX:TCL.A) belong to different sectors but have one thing in common: all three are reliable income stocks paying dividends of more than 4%.

Top 5G stock

Canada's second-largest telecommunications company will present its Q4 and full-year 2021 results today. Industry analysts expect TELUS to report at least 12.1% and 17.7% top- and bottom-line quarterly growth compared to Q4 2020. In Q3 2021, net income rose 12.4% versus the same quarter in 2020 due to higher EBITDA and operating income.

Whether TELUS beats earnings estimates or not, the dividend payouts should be safe and sustainable. Any slide in income is justifiable, given the continuing investments to improve the 5G infrastructure and ongoing expansion of services. Moreover, the telco stock is a Dividend Aristocrat owing to 18 consecutive years of dividend increases. At $30.62 per share, you can partake of TELUS's 4.25 % dividend.

Growing dividends

Transcontinental is as prolific as TELUS when it comes to growing dividends. This industrial stock boasts a dividend-growth streak of 20 years. If you invest today ($20.77 per share), the dividend yieldis 4.33%. The company maintains a 60% payout ratio, which means it retains earnings for business growth.

The $1.84 billion company derives revenue from its Packaging and Printing business segments, although the former is the main engine of long-term growth. Despite the 2.7% revenue increase and 0.8% drop in net income in fiscal 2021 versus fiscal 2020, management was satisfied with the results.

Because of investments in new production equipment, new contract signings, and new products, the company expects organic growth in its Packaging Sector for fiscal 2022. The volume in the Printing Sector should also recover. If the company generates significant cash flows, it would have the flexibility to pursue growth opportunities and strategic acquisitions. Debt reduction is also a top priority.

Lucrative dividends

Russel Metals is hard to resist because of its lucrative 4.77% dividend yield. The mining stock is a stable investment, given its 67.77% total return (18.79% CAGR) in three years. At $31.88 per share, the trailing one-year price return is 30.6%. Based on analysts' forecasts, the price could climb past $40 in the next 12 months.

The $2.04 billion metals and steel distributor will also present its Q4 2021 and full-year results today. In the nine months ended September 30, 2021, Russel reported glowing numbers. Total revenue, adjusted EBITDA, and net income rose 51.7%, 325.4%, and 900% versus the same period in 2020. Cash from operating activities increased 17.7% to $312 million.

Stay invested and earn

Dividend investing is a must during these challenging times. Inflation is way above the central bank's target range, so it would be best to stay invested and earn passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:RUS (Russel Metals)
3. TSX:T (TELUS)
4. TSX:TCL.A (Transcontinental Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

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

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/07/20
Date Created
2022/02/10
Author
cliew