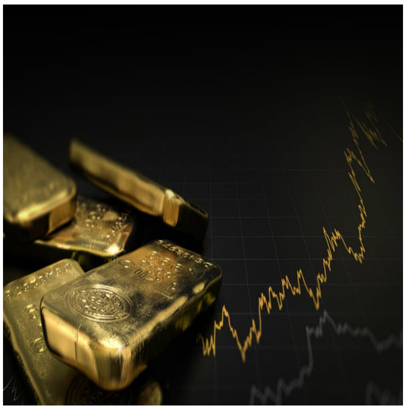

2 Stocks to Buy With Dividends Yielding More Than 3%

Description

In the last year, we've certainly seen a lot of losses on the TSX. While this comes as no surprise given the lofty valuations of last year, it's still a difficult thing to see. Thankfully, there's always a silver lining. This positive side is dividend stocks. You see, this weakness has only made many high quality dividend stocks less expensive, effectively increasing their dividend yields. As a result, investors can buy numerous stocks that provide generous dividend yields.

Here are two such dividend stocks to buy that are yielding more than 3%.

Agnico-Eagle Mines: A well-diversified gold stock with a 3.36% dividend yield

Investing in gold stocks has some risks. For example, these investments are only as good as the outlook for gold prices, which have been notoriously hard to call. Also, investing in gold stocks usually involves taking on some degree of country/political risk, as many gold mines around the world are in unstable countries.

Agnico-Eagle Mines Ltd. (TSX:AEM), however, is different for a couple of reasons. First of all, Agnico has concentrated its operations in politically safe countries. Agnico's mines are located in low-risk areas such as Canada and Europe. Also, Agnico has a solid balance sheet to back it up, as well as years of sound operational and financial management. This has resulted in the company's stellar track record of dividend payments and shareholder returns.

For example, Agnico has paid out a dividend since 1983. This is quite the achievement for a commodity company. Gold prices, like all commodity prices, rise and fall. When they fall, it's common for companies to discontinue dividend payments. The fact that Agnico has been able to continue paying dividends over decades is a testament to its sound management practices.

Today, Agnico is looking forward to plenty of low-risk growth in production, as the company continues to extend its resource base. In its latest quarter, Agnico beat expectations as production rose, and the gold miner kept costs down despite inflationary pressures. In fact, Agnico has handily beat expectations in the last three quarters, as it has kept costs at bay and maximized efficiencies. Also, AEM stock is generating $5 per share in cash flow, and last quarter, cash flow from operations increased 33% to $558 million.

Gold stocks like Agnico-Eagle remain out of favour – and its valuation certainly reflects that. In my view, this 3.36% yielder is one of the best dividend stocks to buy right now.

TD Bank: A top Canadian bank yielding 3.93%

Toronto-Dominion Bank (TSX:TD) is one of Canada's biggest banks. In fact, it's one of Canada's top two banks and North America's top five banks. With a market capitalization of $164 billion and total assets of $1.8 trillion, TD Bank is in a position of clear strength. This makes it one of the best dividend stocks to buy right now.

In the first nine months of this year, this strength was on full display, as it has been for decades. Adjusted revenue increased 6.8% to $33.9 billion. Also, adjusted EPS increased 3% to $5.85. This was driven by record Canadian retail results and strong U.S. retail results. On the Canadian side, the bank saw momentum in banking and insurance volumes. Strong results were also driven by rising interest rates.

At this time, TD Bank stock is down 16% from its highs earlier this year. But, it's continued to hold up well. In fact, it's up 18% in the last 3 years and 118% in the last 10 years. It's simply a solid long-term holding. The big bank's dividend yield of 3.93% is a generous one and yet another reason to buy TD bank stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AEM (Agnico Eagle Mines Limited)
2. TSX:TD (The Toronto-Dominion Bank)

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1. Business Insider
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