2 High-Dividend Stocks to Buy Today for Early Retirement

Description

If you want to plan an early retirement from work, you should ideally invest a large portion of your portfolio in some reliable dividend stocks for the long term. Doing so can keep your risk profile low and help you earn passive income, even in difficult market conditions.

In this article, I'll talk about two of the best high-dividend Canadian stocks you can buy today to hold for decades.

Labrador Iron Ore Royalty stock

Labrador Iron Ore Royalty (TSX:LIF) is the first stock in my list of high-dividend stocks in Canada to consider today. This Toronto-headquartered royalty firm has a more than 15% equity interest in the Iron Ore Company of Canada and currently has a market cap of $2.4 billion. After losing 10.5% of its value last year, this dividend stock has already recovered by nearly 10% this year to trade at $36.97 per share. At this market price, it offers an annual dividend yield of 7.6%.

In 2021, Labrador Iron Ore Royalty's total revenue jumped by 38.3% YoY (year over year) to $279.7 million. Similarly, its adjusted earnings for the year rose 67% from a year ago to $5.93 per share, as a record rally in iron ore prices boosted its profitability.

However, the company's adjusted earnings in the first three quarters of 2022 fell 26.5% YoY. This decline was mainly due to falling iron ore prices amid renewed COVID-19-related restrictions in China, which is the world's largest iron ore consumer. As the Chinese demand for iron ore recovers due to easing restrictions, I expect iron ore prices to trend higher in the coming quarters and help LIF stock regain strength.

BCE stock

When you're investing your hard-earned money in dividend stocks for retirement planning, you must be aware that many high-dividend paying stocks may slash or even suspend their dividends to sustain through a tough economic environment. However, if a dividend stock has a robust underlying business model to support its long-term growth, the chances are high that it will keep rewarding its investors with high dividends, even in turbulent market faces.

Speaking of Canadian dividend stocks with robust business models, **BCE** (TSX:BCE) could definitely be worth considering today. The Verdun-headquartered telecom giant currently has a market cap of $56.3 billion, as its stock trades at $61.78 per share with about 3.8% year-to-date gains. At the current market price, this stock has an attractive annual dividend yield of 6.3%.

BCE’s 2022 revenue grew positively by 3.1% YoY to $24.2 billion with the help of strong broadband customer growth and higher mobile phone postpaid net activations in recent quarters. More importantly, its adjusted earnings for the year rose 5% to $3.35 per share, despite inflationary pressures and a challenging economic environment. Encouraged by its strong results, BCE last week announced a 5.2% increase in its annual dividends.

At the end of 2022, BCE’s 5G network covered 82% of Canadians. You can expect its strong financial growth trend to remain intact in the coming years, as its 5G and 5G+ networks continue to expand further across Canada.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:LIF (Labrador Iron Ore Royalty Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/07/02
Date Created
2023/02/07
Author
jparashar