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The big five: Our report card on the largest income stocks

Managers give us the lowdown on the dividend potential of five of the FTSE 100's big income hitters.

David Battersby

Investment Manager, Redmayne Bentley

'The most attractive thing about BP for investors is its high yield, its commitment to pay the dividend payments and its commitment to significant capital expenditure. According to BP it needs the oil price to stay above $60 for it to be profitable. It's currently over $70 which is good news but the group is so confident it will stay over $60 that it has promised to continue to pay the dividend even if the price does fall. The group has said it would rather borrow money to pay the dividend than not pay it all.'

Tony Shepard

Investment Analyst, Charles Stanley

'This is a very safe option for investors looking for a good yield. When the downturn hit it had less than 10% of gearing and while the dip in the oil price had a negative impact on it last year it has stabilised now which has left investors feeling much more comfortable about investing.

'The only danger to the stock is another fall in the oil price which would make it hard to generate enough revenue to pay the dividends, but even if that does happen I don't think it will go back to the lows of before.'

Alex Boyle

Investment Manager, Hawksmoor Investment Management

'Vodafone is an attractive stock thanks to its good cash flow and very strong dividend which is relatively safe. What is also interesting is that it owns a share of Verizon and once Verizon pays down its debt it is going to be a huge boost to Vodafone's own yield. There is also speculation that Vodafone is going to purchase the Dutch telecoms company T-Mobile. The UK telecoms market does need some consolidation and this deal would be beneficial to the stocks' market share.'

Henry Dixon

Partner, Matterley LLP

'The rally is damaging for the oil names as their dividends are anticipated to be broadly flat, whereas I think HSBC will grow ahead of expectations. Although it has underperformed year to date compared to peers, it is now looking very interesting.

'The yield is sustainable and I think we will be surprised on the upside with growth too. HSBC has suffered but I

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think the banks will actually be one of the best performing sectors this year.'

Jonathan Yousafzai

Investment Manager, Thesis Asset Management

'GlaxoSmithKline remains a very defensive UK quoted international pharmaceuticals stock with strong cash flow characteristics. It has an above average dividend yield, greater than 5%, which is clearly much better than cash and the 10-year gilt yield. Given its market capitalisation it is therefore a big income producing component of the FTSE 100 index, if it was held in index-weighted form. GSK has a good pipeline of drugs in development, which will enhance its earnings stream versus current drugs going off-patent.'

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