



The First 3 Dividend Stocks You Should Own

Description

Dividend investing in Canada must seem incredibly scary these days. Everywhere you look, big payouts are getting cut, and not just in the energy sector. That being the case, there are still companies with reliable dividends, as long as you are willing to take a slightly lower yield. We profile three such companies below.

1. Telus

If you're looking for steady dividends, you should start with the big three telecom providers. After all, they operate in a very cozy industry where competition is low and profits are high. Better yet, revenue is nice and steady, which is perfect for paying out big dividends.

So, which company should you go with? Well, there's a strong case to be made for **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)). Why? Well, Telus has done a very good job keeping its subscribers happy. As a result, very few of the company's customers leave for competitors. Over time, Telus will be able to boost its market share, which will lead to strong revenue growth.

Telus is also more geared towards the wireless industry than either of its peers. This also allows the company to grow as more Canadians buy smartphones and consume large amounts of data. So, it should be no surprise that Telus is growing faster than rivals.

The company's dividend still only yields 3.8%, but should have many years of growth ahead of it. It's a great stock for any dividend investor.

2. Fortis

Distribution utility **Fortis Inc.** ([TSX:FTS](#)) may be the most boring stock on the **S&P/TSX 60**. It sells a product (electricity) that we all need, even when times are tough. This shows up in Fortis's numbers, which tend to be very smooth and predictable.

This is the perfect formula for a consistent dividend, and Fortis has not let us down. In fact, the company has increased its payout every year for over four decades! Today, that same dividend yields

3.4%. Again, that doesn't seem very exciting, but it's not a bad deal for such a reliable payout.

3. TransCanada

At first glance, **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) seems like a very risky name. Its Keystone XL pipeline is in serious jeopardy, and the oil market is in trouble.

However, this is a very solid dividend stock, even if no one realizes it. There are a number of reasons why. First of all, oil production has remained strong (even with low prices) and that product must be moved somehow. Trains have proven to be expensive and dangerous, so pipelines are as necessary as ever.

Second, pipeline companies like TransCanada operate on long-term contracts, ones that don't expose the company to commodity prices. It's no wonder that the TransCanada dividend has increased by 7% per year since 2000.

Again, the dividend only yields 3.9%. That said, this is a dividend worth holding for a long time, especially in today's environment.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
4. TSX:T (TELUS)
5. TSX:TRP (TC Energy Corporation)

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Date

2025/07/22

Date Created

2015/03/16

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