



2 Excellent Dividend Stocks I'd Buy Right Now

Description

Dividend stocks are the foundation of great portfolios, because as history has shown, they far outperform their non-dividend-paying counterparts over the long term. With this in mind, let's take a closer look at two excellent dividend stocks that you could buy today.

BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications company. It provides a comprehensive and innovative suite of broadband communications and content services to over 22 million residential, business, and government customers through its Bell Canada, Bell Aliant, and Bell MTS brands.

BCE currently pays a quarterly dividend of \$0.7175 per share, equal to \$2.87 per share on an annualized basis, and this gives it a yield of about 4.6% today.

On top of offering a juicy 4.6% yield, BCE is one of the best dividend-growth stocks around. It has raised its annual dividend payment for eight consecutive years, including annual increases of 5% or more in that span, and its 5.1% hike in February has it on pace for 2017 to mark the ninth consecutive year with an increase.

I think BCE is a safe bet for dividend growth going forward too. It has a target dividend-payout range of 65-75% of its free cash flow, so I think its consistently strong growth, including its 7.6% year-over-year increase to \$3.23 billion in 2016 and its 17% year-over-year increase to \$489 million in the first quarter of 2017, and its growing subscriber base that will help fuel future growth, including its 5.3% year-over-year increase to 22.08 million in the first quarter, will allow its streak of annual dividend increases to easily continue for another nine years.

ATCO Ltd.

ATCO Ltd. ([TSX:ACO.X](#)) is a diversified global corporation, providing services and innovative solutions to the structures and logistics, electricity, pipelines and liquids, and retail energy industries around the world.

ATCO currently pays a quarterly dividend of \$0.3275 per share, equal to \$1.31 per share on an annualized basis, giving it a yield of approximately 2.6% today.

ATCO may not have a very high yield, but it more than makes up for this in terms of dividend growth. It has raised its annual dividend payment for a very impressive 23 consecutive years, including a compound annual growth rate of about 15% from 2012 to 2017, and its 14.9% hike in January has it positioned for 2017 to mark the 24th consecutive year with an increase.

I think ATCO will continue to be one of the market's top dividend growers in the years ahead as well. I think its very strong operational performance, including its 8.5% year-over-year increase in funds generated by operations to \$525 million in the first quarter of 2017, and its continued investments in capital growth projects that will help drive future growth, including its \$298 million worth of investments in the first quarter and the \$5 billion worth of investments that it will make from 2017 to 2019, will allow its streak of annual dividend increases to continue for the foreseeable future.

Which of these top dividend stocks should you buy today?

I think BCE and ATCO are two of the best long-term investment options for dividend investors, so take a closer look at each and strongly consider making at least one of them a core holding today.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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2. TSX:ACO.X (ATCO Ltd.)
3. TSX:BCE (BCE Inc.)

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