

2 Top Dividend Stocks I'd Buy Right Now

Description

Dividend stocks should be core holdings in every investor's portfolio, 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 top dividend stocks that you could buy right now.

National Bank of Canada

National Bank of Canada ([TSX:NA](#)) is Canada's sixth-largest bank by assets with just over \$239 billion as of April 30, 2017. It provides financial products and services to retail, commercial, corporate, and institutional clients in Canada, the United States, and around the world.

National Bank pays a quarterly dividend of \$0.58 per share, equal to \$2.32 per share annually, which gives it a yield of about 4.1% at today's levels.

Investors must also make the following two notes about National Bank's dividend.

First, it's a great dividend-growth stock. It has raised its annual dividend payment for six consecutive years, and its recent hikes, including its 3.6% hike in May, have it on pace for 2017 to mark the seventh straight year with an increase.

Second, I think it will continue to grow its dividend in the years ahead. It has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its incredibly strong growth, including its 49.7% year-over-year increase to \$2.65 per share in the first half of fiscal 2017, will allow its streak of annual dividend increases to continue in 2018 and beyond.

BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications company. It provides a wide range of broadband wireless, television, internet, and business communication services to over 22 million customers across the country.

BCE pays a quarterly dividend of \$0.7175 per share, equal to \$2.87 per share annually, and this gives it a yield of 4.9% today.

It's also important to make the following two notes about BCE's dividend.

First, BCE is a dividend-growth aristocrat. It has raised its annual dividend payment for eight consecutive years, and its 5.1% hike in February has it on pace for 2017 to mark the ninth consecutive year with an increase.

Second, I think its dividend growth will continue for many years to come. BCE has a target dividend-payout range of 65-75% of its free cash flow, so I think its very strong growth, including its 17% year-over-year increase to \$489 million in the first quarter of 2017 and its projected 4-10% year-over-year

increase in the full year of 2017, will allow its streak of annual dividend increases to continue for the foreseeable future.

Which of these dividend stars belongs in your portfolio?

I think National Bank of Canada and BCE are two of the best dividend stocks in the market, so take a closer look and strongly consider making at least one of them a core holding in your portfolio today.

CATEGORY

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2. Investing

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2. TSX:BCE (BCE Inc.)
3. TSX:NA (National Bank of Canada)

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