3 Unloved Canadian Dividend Stocks to Add to Your TFSA Today

Description

Canadian investors finally have a chance to buy some of Canada's top dividend companies at reasonable prices.

Let's take a look at three stocks that might be interesting picks right now.

BCE Inc. (TSX:BCE)(NYSE:BCE)

BCE is a dominant force in the Canadian communications sector, with a broad range of telecom and media assets. The company bolstered its position last year with two acquisitions and the launch of a new business.

BCE purchased Manitoba Telecom Services in a deal that bumped the giant into top spot in the Manitoba market and gave the company a strong base in central Canada.

Later in the year, BCE announced an agreement to buy home-security provider AlarmForce. The deal closed in January and gives BCE another suite of products and services to offer its large customer base.

Finally, BCE launched a low-cost prepaid phone service called Lucky Mobile.

These additions should help support revenue and cash flow growth in 2018 and beyond.

The stock is down from close to $63 in December to below $56 per share. At that price, investors can pick up a 5.4% yield.

BCE generates adequate free cash flow to support the payout, and steady dividend growth should continue.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge bought Spectra Energy last year in a $37 billion deal that created North America's largest energy infrastructure company.

Spectra added important gas assets and provided a nice boost to the capital program. Enbridge is currently working through $22 billion in near-term development projects that should be completed through 2020.

As the new assets go into service, Enbridge expects cash flow to improve enough to support annual dividend growth of at least 10% over that time frame. The company recently raised the payout by 10% for 2018, and that comes on the heels of a 15% increase last year.

Enbridge is down amid a broad sell-off in the energy infrastructure sector. At the time of writing, investors can pick up a 6.5% yield with solid dividend growth on the horizon.

Fortis Inc. (TSX:FTS)(NYSE:FTS)

Fortis owns natural gas distribution, power generation, and electric transmission assets in Canada, the U.S., and the Caribbean. The company has grown significantly over the years through strategic acquisitions, with most of the recent activity being in the United States.

Fortis has raised its dividend every year for more than four decades and plans to hike the payout by at least 6% per year through 2022.

The current distribution provides a yield of 4%.

Is one more attractive?

BCE, Enbridge, and Fortis should continue to be solid buy-and-hold picks for a dividend-focused portfolio. If you have some funds sitting on the sidelines, I would probably split a new investment between the three companies today.

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