3 Blue-Chip Dividend Stocks to Buy on the Dip!

Description

The recent increase in interest rates has put some dividend-paying stocks on sale, including these three Canadian blue-chippers.

Find out what makes these three companies great candidates for your RRSP or RESP dividend account.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) reported a strong first quarter, including adjusted earnings per share of $0.82 — an increase of 43.8% over the year-ago period.

In reporting its quarterly results, the company also announced that had completed the monetization of $3.2 billion in assets, including the formation of a 50/50 joint venture with the Canadian Pension Plan on several key renewable energy projects.

Monetizing certain "non-core" assets to the tune of $3.2 billion will go a long way to helping Enbridge accelerate the deleveraging from its acquisition of Spectra Energy and help pave the way to improved financial flexibility.

The other good news to come out of Enbridge's most recent earnings release was the company's announcement that its major Line 3 Replacement Project continues to make good progress in Canada, with the Wisconsin segment already having been completed and reaffirming a recent announcement from a Minnesotan administrative court, deeming the Line 3 project a necessity for the state.

Enbridge stock is trading just a few bucks above its 52-week low, and it trades at a dividend yield above 6.62% — a level not often seen for Canada's largest pipeline company.

The next few years may be a bit slower for **BCE Inc.** (TSX:BCE)(NYSE:BCE) than the last few, but that certainly doesn't mean it isn't a good time to add to this utility-like vehicle.

BCE shares trade at a dividend yield above 5.5% at present, which compares very favourably to the 10-year Canadian government bond yield, which sits at just 2.28% — particularly when you consider that Canadians are more than likely going to be consuming more, and not less, video and wireless content over the next 10 years.

Granted the Canadian telecom industry finds itself going through a bit of flux lately, including a bit of a push from **Shaw Communications Inc.**, but BCE has proven the ability to fight off new entrants and defend its market share, and the current dividend is well supported by the company's relatively stable and predictable cash flows.

TransCanada Corporation (TSX:TRP)(NYSE:TRP) is Canada's second-largest pipeline behind Enbridge, meaning it wouldn't be completely reasonable to project a more lucrative growth profile for the company.

TransCanada has, unfortunately, found itself caught up in the mix of clashing political and environmental agendas amid plans for its Keystone XL pipeline; however, recent evidence suggests that pipeline is more than likely going to get the go-ahead from governments and regulators.

Meanwhile, just like bigger brother Enbridge, TransCanada stock trades just a hair above its 52-week lows, making it a timely buy, particularly in light of a 5.11% dividend and expectations for annual increases of close to 10% over the next few years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/18
Date Created

2018/06/24

Author

jphillips