3 Top Dividend-Growth Stocks to Buy Today

Description

Last week was a rough one for the markets, as the TSX dripped red. Even the markets south of the border suffered, and there is once again a sense of uneasiness in the streets. During these sell-offs, investors tend to flock for the exits.

The savvy investor, however, will be on the lookout for great buying opportunities. In a market of low interest rates, dividend-growth companies have enjoyed a record bull run. It has been difficult to find value. Thanks to the recent downtrend, there are a few companies now trading at great prices.

Here are three top Canadian dividend-growth stocks to buy today. All three are Canadian Dividend Aristocrats with dividend-growth streaks greater than five years.

Canadian Tire (TSX:CTC.A)

First up, we have Canadian Tire. This is the second time in 2018 whereby investors have been presented with a great entry point. If you missed out on the first, don't miss out on this one.

As of writing, Canadian Tire is trading at a cheap price-to-earnings (P/E) ratio of 14.75 and at only 11.79 times forward 12-month earnings. For the first time since January 2016, it is trading below its historical P/E average. Historically, the company has traded in line with expected growth rates and historical averages. As such, when opportunities such as this come up, they don't last long.

Open Text (TSX:OTEX)(NASDAQ:OTEX)

A few weeks ago, Open Text vaulted to the top of my tech watch list. Since my article, the tech sector — and the company's share price — has been under pressure. It's rare to see such attractive growth companies trading at big discounts.

Open Text is now trading well below its historical averages and has P/E-to-growth ratio below 1.5. I couldn't pass up the opportunity to pick up such a high-growth company on the cheap.

Not only do I anticipate significant share price appreciation, but I will also be rewarded with double-digit dividend growth.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

Looking for a sure-fire strategy to pick up Canada's big banks on the cheap? One of the most effective is to buy the banks once they dip below their historical P/E average.

Thanks to the recent struggles in the financial industry, TD dipped below its historical P/E average for the first time since July of last year.

Over the past 20 years, the longest TD has traded below its average P/E ratio was approximately 1.5 years between 2011 and 2012.

Every other time, it was but a blip on the screen before returning to trade in line with its average. It has the best performance, highest dividend-growth rate, and lowest payout ratio among its Big Five peers. Don't miss this chance to pick up Canada's best bank!

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TICKERS GLOBAL

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:OTEX (Open Text Corporation)
5. TSX:TD (The Toronto-Dominion Bank)

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Date
2025/09/10
Date Created
2018/10/08
Author
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