

## Dividend Stocks for a Quality Portfolio Today

### Description

By buying a diversified group of quality dividend stocks at good valuations, you can watch your portfolio grow in the long run while getting stable income irrespective of the ups and downs of stock prices.

The latest market volatility provides opportunities for you to buy the following great businesses at good valuations.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a top 10 North American Bank and is the fifth-largest by total assets. With about a third of its net income originating from the U.S., TD Bank has been one of the top-performing Canadian banks coming out of the financial crisis of 2007/2008.

The stock dipped +9% from its 52-week high to about \$72.70 per share. It now offers a decent value at a price-to-earnings ratio (P/E) of 11.6, while management guides to grow its earnings per share at a rate of 7-10% over the medium term. The bank offers a 3.7% yield, and its three-year dividend growth rate is 8.5%.



**TransCanada** ([TSX:TRP](#))([NYSE:TRP](#)) owns a network of natural gas and liquids pipelines and power assets with a generating capacity of 6,600 MW in aggregate.

The stock has come off by about 17% in the last 12 months to about \$51 per share, which implies a cheap P/E of roughly 14.6. Compare that to TransCanada's long-term multiple of +20!

Right now, you can get the safe dividend stock for a very attractive 5.4% yield that's supported by consistent cash flow. TransCanada aims for dividend growth of 8-10% growth through 2021.

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is an owner and operator of a diversified portfolio of essential infrastructure networks around the world. Its operations are spread across the utilities, energy, transportation, and data infrastructure sectors, including regulated distribution and transmission, energy transmission and storage, toll roads, rail, and more.

The utility stock is quite stable, and it's a good time to buy it on a 7% dip from a year ago. At about

\$50.80 per unit, Brookfield Infrastructure offers a nice yield of 4.8%. It aims for distribution-per-unit growth of 5-9% per year.

**Alimentation Couche-Tard Inc.** (TSX:ATD.B) has been a strong free cash flow machine with a network of over 16,000 convenience stores across North America, Europe, and other places, such as Mexico, Indonesia, Hong Kong, Vietnam, and more.

Couche-Tard has been a superb capital allocator and has created tremendous shareholder value in the long run. An investment from before 2008 or before the last market crash has delivered about 24% per year, which was essentially a 10-bagger!

The stock has been trading in a horizon channel since 2015, and it's only a matter of time before it heads higher. Although Couche-Tard's 0.64% yield is puny, at \$62.81 per share as of writing, or a P/E of 16.6, it offers double-digit returns potential and double-digit [dividend growth](#).

### Investor takeaway

TD Bank, TransCanada, Brookfield Infrastructure, and Couche-Tard are [good-valued quality stocks](#) you can buy now for long-term outperformance. At the same time, the group should in aggregate have below-average risks from their stable growth, large size, diversity, and increasing income.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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