3 Must-Own Dividend Stocks to Buy Today

Description

Investing doesn't have to be terribly hard. While there are a number of companies that investors can take a stab at, there are a few core holdings that every portfolio should contain. These companies have been consistent performers over the years, offering not just capital appreciation but dividend growth as well. With the TSX undergoing some serious pressure, investors should begin, or continue, adding shares of these stocks to their long-term portfolios.

Three companies to look at are the **Canadian National Railway** (TSX:CNR)(NYSE:CNI), **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS), and **Telus** (TSX:T)(NYSE:TU). These companies have all have excellent track records of profitability and solid dividends. At current prices, these stocks are must-own companies for long-term, dividend-focused investors.

Take CNR for example. With its national and international railways that stretch across Canada and the United States, CNR has profited massively from moving product and materials across the continent. CNR transports a variety of freight, from natural resources to manufactured product, and remains one of the most efficient ways to do so. Since there are not many companies building railroads anymore, it stands to reason that their services will still be in high demand for years to come.

CNR has a dividend that has grown substantially over the years. While the payout seems paltry at the current yield of 1.59%, this dividend has grown at a rapid pace over the years with dividend raises often in the double digits, as was the case when it raised it by 10% earlier this year. The dividend is supported by strong operating income, which increased by 18% year over year in Q3, and solid free cash flow.

Another great dividend company, BNS offers the most international exposure of the companies listed here. With operations throughout Latin America, BNS gives Canadians diversification that their portfolios need. These investors can thank the recent downturn in global stock prices for giving them the opportunity to enter a position in this company at a yield of almost 5%. BNS has grown its dividend substantially over the years, including a recent 3.66% increase to the quarterly payout in 2018.

Telecommunication companies have a long history of being dividend giants, and Telus is no exception. With the stock price being driven down as interest rate-related pressures continue to drive investors away from the stock, long-term focused dividend investors will find the yield of over 4.5% quite attractive for income generation. Telus has raised its dividend significantly over time, frequently doing so twice in the same year.

Wireless use is not going away anytime soon and, in all likelihood, is only going to get more prolific as technology, like the Internet of Things and driverless cars, continues to become more commonplace. With Telus's free cash flow already benefiting from this trend by increasing 27% year over year in Q2, there will likely be a lot more dividends to come from its profitability.

It's not about timing the market, it's about time in the market

Investing can be quite easy if you avoid becoming your own worst enemy. Buying stocks like CNR, BNS, and Telus and holding them for the long term is not exciting, but it will help you to get rich slowly. Hold these companies through thick and thin and avoid the market noise, other than using the noise to buy their shares at reduced prices. Now is a good time to start buying.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TU (TELUS)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:T (TELUS)

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