



## 2 Top Canadian Dividend Stocks Hitting New Highs

### Description

A popular investing strategy involves buying the shares of quality companies when they hit new 12-month highs.

Let's take a look at two Canadian [dividend champions](#) that are in that situation and see if this is an attractive time to add them to your portfolio.

### **BCE** ([TSX:BCE](#))([NYSE:BCE](#))

BCE is a powerhouse in the Canadian communications industry with world-class wireless and wireline networks that provide mobile, internet, and TV services to businesses and households across the country. The company has the financial firepower to spend the billions of dollars needed to keep upgrading its network, and that provides the business with a competitive moat in this country. BCE continues to add to its fortress with the ongoing rollout of its fibre-to-the-premises program.

In addition, the company has a large media business that includes a television network, radio stations, specialty channels, and sports teams. BCE also connects with consumers through its national network of retail locations. The combination of the media and network assets gives BCE the capability to interact with most Canadians on a daily basis.

Growth is slow, but steady, and BCE has the power to increase rates for its services when it needs extra funds. Free cash flow is expected to increase by 7-10% this year, so investors should see dividend growth continue in line with that number.

The stock is bumping up against the \$61 mark, which is a high for the past 12 months, and it wouldn't be a surprise to see the share price reach a new all-time high above \$63 before the end of the year. Despite the rising price, investors can still pick up a solid 5.2% dividend [yield](#).

### **Canadian National Railway** ([TSX:CNR](#)) ([NYSE:CNI](#))

CN is a leader in the North American rail industry with an extensive network of tracks that crosses Canada and runs right through the heart of the United States connecting three key ports.

The company transports coal, crude oil, cars, forestry products, fertilizer, grain, and finished goods. When one segment has a rough quarter, the others normally pick up the slack, and the large U.S.-based operations provide a nice hedge against any downturn in Canada.

The company raised the dividend by 18% for 2019 and has one of the best compound annual dividend-growth rates in the TSX Index over the past two decades. CN's stock just hit a new all-time high, and investors should see the steady long-term gains continue.

## The bottom line

BCE and CN are leaders in their industries and enjoy wide competitive moats. Dividend growth should continue, supported by rising free cash flow. If you only buy one, I would probably make CN the first pick today.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BCE (BCE Inc.)
4. TSX:CNR (Canadian National Railway Company)

### PARTNER-FEEDS

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

### Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### Tags

1. Editor's Choice

**Date**

2025/07/05

**Date Created**

2019/05/17

**Author**

aswalker

default watermark

default watermark