3 Top Large-Cap Dividend Stocks to Buy Now

Description

Hi there, Fools. I'm back to call your attention to three large-cap stocks for your watch list — or, as I like to call them, my top "forever income" assets. As a refresher, I do this because companies with a market cap of more than $10 billion

- can stabilize your portfolio during periods of high volatility; and
- provide steady and healthy dividends year after year.

So, if you're already starting to look for investment ideas for 2020, this is a good risk-averse place to start.

Let's get to it.

Natural choice

Kicking off our list is **Enbridge** (TSX:ENB)(NYSE:ENB), which boasts a market cap of $70 billion. Over the past six months, shares of Canada's largest natural gas distributor have pulled back about 7%, making it an opportune time to jump in.

In the most recent quarter, EPS of $0.67 topped estimates by $0.08. Meanwhile, distributable cash flow jumped 24% to $2.3 billion. Looking forward, Enbridge now sees distributable cash flow per share of $4.30 to $4.60.

"Strategically, the actions we took over the past year to streamline, strengthen the balance sheet and move to a pure pipeline and utility model, have further de-risked the business and put us in a position of strength to capitalize on opportunities going forward," said CEO Al Monaco.

That operating momentum coupled with a fat dividend yield of 6.5% make Enbridge extremely enticing.

Living the great life

Next up, we have insurance giant **Great-West Lifeco** (TSX:GWO), which currently has a market cap of almost $30 billion. Over the past year, the stock is up just 8% versus a gain of 14% for the **S&P/TSX Composite Index**, suggesting that there might be some value in the shares.

In Q2, the adjusted earnings came in at $658 million as sales improved 4% to $34.3 billion. Moreover, adjusted return on equity (ROE) came in at a solid 13%. Management attributed the results to strong growth in Europe.

“We continued to make progress on our strategic priorities in the quarter and business fundamentals remained solid despite the decline in net earnings,” said CEO Paul Mahon.

Great-West currently offers a mouth-watering dividend yield of 5.4%.

Imperial opportunity

Rounding out our list of large caps is **Imperial Oil** (TSX:IMO)(NYSE:IMO), which currently sports a market cap of $25 billion. Shares of the oil and gas giant are down 22% over the past year, so now might be good time to jump in on the cheap.

Despite the poor stock performance, Imperial continues to generate stable cash flow. Over the past 12 months, the company has generated a whopping $4.2 billion in operating cash flow. Moreover, operating cash flow has more than doubled over the past three years — which management has used to fund steady dividend increases.

Imperial’s robust cash flows and solid financial position make it a smart way to gain energy exposure. More importantly, with a single-digit P/E, the downside seems limited enough to do it right now.

The bottom line

There you have it, Fools: three top dividend stocks worth considering.

As always, they aren’t formal recommendations. Instead, see them as a starting point for further research. Even the largest companies can suffer setbacks, so plenty of your own due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSEMKT:IMO (Imperial Oil Limited)

3. TSX:ENB (Enbridge Inc.)
4. TSX:GWO (Great-West Lifeco Inc.)
5. TSX:IMO (Imperial Oil Limited)

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