2 No-Brainer Dividend Heavyweights to Buy Today

Description

Late last month I'd discussed why Canadian investors should target dividend aristocrats. As I'd mentioned in that article, dividend aristocrats on the **TSX** have achieved at least five consecutive years of dividend growth compared to the 25 consecutive years of dividend-growth that are required for that label on the **S&P 500 Composite Index**.

Today I want to focus on two of the top dividend payers in the Canadian market. These stocks are heavyweights in their respective sectors, and both are worth owning for the next decade. Let's jump in and take a snapshot of these beasts.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) requires no introduction for the seasoned investor. The energy infrastructure giant boasts the third-largest weighting on the **S&P/TSX Composite Index**, right behind **Royal Bank** and **TD Bank**. Shares of Enbridge have climbed 25.9% in 2019 as of close on November 27.

The stock endured a summer slump, which is has largely recovered from in the fall. Its performance has been powered by another strong earnings report for the third quarter of 2019.

Cash provided by operating activities increased to $2.73 billion compared to $1.46 billion in Q3 2018. On the operational front, Enbridge continued to make progress with its Line 3 Replacement Project as the Minnesota Supreme Court rejected Environment Impact Statement (EIS) appeals.

Shares of Enbridge have achieved average annual returns of 11.7% over the past decade. The stock offers a quarterly dividend payout of $0.738 per share, representing a strong 5.8% yield.

It's in favourable value territory, boasting a price-to-earnings ratio of 16 and a price-to-book value of 1.6. Enbridge is a reliable dividend payer and has delivered dividend growth for over 20 consecutive years.

Fortis

I've been bullish on **Fortis** (TSX:FTS)(NYSE:FTS) since the broader markets entered a period of significant turbulence in late 2018. Central banks were already telegraphing a retreat from their rate tightening path.

Bond yields have been pummelled in 2019, forcing income investors to turn back to equities. Fortis is one of the best available.

Shares of the St. John's-based utility have climbed 18.6% in 2019 as of close on November 27. However, the stock has dropped 4% over the past three months.

Net earnings were only up marginally from the prior year, but in the year-to-date period, net earnings have climbed to $1.31 billion, or $3.02 per share compared to $839 million or $1.98 per share at the same time in 2018.

It's worth getting excited about Fortis' five-year capital expenditure plan, which will see it spend $18.3 billion from 2020 through to 2024. Fortis aims to grow its rate base from $28 billion in 2019 to $38.4 billion in 2024. This will support its annual dividend growth target of 6% through to the end of the capital investment period.

Fortis last announced a quarterly dividend of $0.4775 per share. This was up 6.1% from the prior year and marked 46 consecutive years of dividend growth, which represents a 3.6% yield.

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