3 Stress-Free Dividend Stocks to Stash Away for Winter

Description

The holiday season is not the time to be stressing about investments.

With time off comes the opportunity to spend time with friends and family. Yet for investors, it can all too easily become an excuse to spend hours stressing over stock charts and worrying about the year ahead.

Not only does that go against the spirit of the season, but it's also unnecessary. By buying blue-chip dividend stocks with wide economic moats, you can rest easy knowing that your investments will produce income over the long term. Stocks may fluctuate in the short term, but given time, they tend to grow more than any other asset class. Throw a little dividend growth into the mix, and even the tamest-seeming stocks can produce superior returns.

With that in mind, here are three "stress-free" dividend stocks to stash away for winter.

Royal Bank

Royal Bank of Canada is Canada's largest bank by market cap.

It's not the fastest-growing bank you can buy, but it's one of the safest, owing to its domestic-focused business operations. Despite hedge fund titans like Steve Eisman having shorted Canadian banks earlier this year, it's undeniable that the Canadian financial industry is one of the safest in the world. This makes RY a safe long-term play, even if there are some short-term headwinds.

With RY, you're not going to be getting a whole lot of growth. The bank has hardly any foreign operations, which are the main source of fuel for the other Big Six members. But what this stocks lacks in growth it makes up for in stability and dividend income, making it a classic "stress-free" income play.

Enbridge

Enbridge is Canada's largest pipeline company that ships crude and LNG all over North America.

Over the past four years, the company has managed to grow its earnings from $250 million to $2.8 billion — an excellent result.

As a pipeline company, Enbridge makes most of its money off shipping fees rather than direct oil sales. This makes its revenue less vulnerable to oil price swings than other energy stocks.

If you're looking for a high yield, Enbridge is one of the best TSX stocks you can buy. With a 5.84% yield at current prices, it's a big income producer, but unlike some high-yield stocks, its payout ratio is within the realm of sanity. Additionally, the company's earnings are growing, so you could expect an even bigger yield on cost in the future.

Algonquin Power & Utilities

Algonquin Power & Utilities is one of Canada's smaller utility companies, with a base of operations in the United States.

The company is making investments in renewable energy sources such as wind, solar, hydro and thermal. These investments are made through its subsidiary Liberty Power, which has 35 clean energy plants in the United States. The company's Liberty Utilities business serves energy and water to 750,000 customers, also in the United States.

Utility businesses in general are well positioned to survive recessions owing to their indispensable service. Algonquin, as a smaller utility, has more room to grow than some of the larger players in the space. Its stock pays a dividend that yields 3.92% at current prices.

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