



Top 3 Canadian Dividend Stocks to Own in 2020

Description

We sit in the final month of 2019, so today I want to jump right into my top three dividend stocks to scoop up before the New Year. Not only have these equities provided nice income in 2019, but the increase in capital growth has bolstered their nice value.

Hydro One

Utilities have been a great hold throughout 2019, and **Hydro One** ([TSX:H](#)) is no different. The Ontario utility giant has seen its stock increase 29% in 2019 as of close on December 5. Hydro One had been a frustrating own since its launch in November 2015, but I've been [bullish](#) on the stock, even after it lost out on **Avista** in late 2018.

The company released its third-quarter 2019 results on November 7. It reported adjusted earnings per share of \$0.40 compared to \$0.38 in the prior year. This increase was due to the 2019 update in distribution rates and an overall decrease in operation, maintenance, and administration costs. However, revenues were hit by less-favourable weather.

Hydro One stock boasts a quarterly dividend of \$0.2415 per share, which represents a 3.8% yield. It has increased its dividend in every year since its inception.

Enbridge

Enbridge is another company that has faced obstacles over the past several years. Regardless, Enbridge stock has been a reliable source of income for investors. Its regulatory triumphs over the past year have vaulted shares to 52-week highs.

In the third quarter, Enbridge posted GAAP earnings of \$949 million or \$0.47 per share compared to a GAAP net loss of \$90 million, or \$0.05 per share in the prior year. Distributable cash flow rose to \$2.10 billion in the quarter over \$1.58 billion in Q3 2018.

The stock last paid out a quarterly dividend of \$0.738 per share, representing a strong 5.8% yield. Enbridge has delivered dividend growth for over 20 consecutive years.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is another utility that has been on a tear in 2019. Shares have climbed 19.4% in 2019 as of close on December 5. The stock has achieved average annual returns of 9.5% over the past 10 years.

As far as dividend payers go, Fortis is in elite company. It is committed to rewarding its shareholders, which is why the company boosted its five-year capital plan by \$1 billion from the prior year. The five-year plan of \$18.3 billion for 2020 through 2024 is expected to increase Fortis's rate base from \$28 billion in 2019 to \$38.4 billion in 2024. This is expected to support an annual dividend increase of 6% through this same period.

The company has delivered dividend growth for 46 consecutive years. At the end of this investment period, it will likely have obtained its dividend crown. That is, it will have delivered at least 50 consecutive years of dividend growth. Right now, Fortis offers a quarterly dividend of \$0.4775 per share, representing a 3.6% yield.

CATEGORY

1. Investing

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2. TSX:FTS (Fortis Inc.)
3. TSX:H (Hydro One Limited)

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Date

2025/08/24

Date Created

2019/12/08

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