3 Canadian Dividend Stocks to Buy and Hold Forever!

Description

If you're an investor looking for consistent dividend income, Canadian markets are some of the best in the world. While the **TSX** hasn't delivered anywhere near the returns the **S&P 500** has over the last decade, it has a much higher average dividend yield. This makes it a great place to go shopping for high-yield dividend stocks.

The following are just three such stocks to consider in 2020.

Alimentation Couche-Tard

Alimentation Couche-Tard Inc (TSX:ATD.B) is Canada's largest convenience store company best known for its Circle K brand, which it bought from **ConocoPhillips** in 2003.

The acquisition of Circle K gave Alimentation a huge presence in the U.S., where it is now first in gas station convenience store fuel sales. The company also took Circle K to Canada, where it's now one of the biggest gas station chains.

One incredible thing about ATD.B is that it has grown through aggressive acquisitions without taking on too much debt. The company has a debt-to-equity ratio of just 0.95, which is not extremely high.

However, its acquisitions have undeniably fueled growth, with Circle K having been the company's main driver since its acquisition. As a dividend stock, ATD.B has a low yield right now–approximately 0.5%. However, its dividend growth is incredible, averaging 27% CAGR over the last five years.

Canadian National Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is a rail behemoth that ships good in both Canada and the United States. It ships over $250 billion worth of goods annually, making it one of the cornerstones of the North American economy.

Over the past year, the company has faced headwinds pertaining to delayed grain supply, Alberta oil curtailment, strikes, and an ongoing pipeline protest.

However, the company has still managed to grow its earnings–even in the previous quarter, when the company's "weekly metrics" were showing large declines in carloads and RTMs.

Rail is the most cost-efficient way to ship large quantities of goods, and there will always be demand for many of the goods CN ships. Its three coast network also helps it reach areas that other railways can't.

The stock's dividend yield is fairly low at 1.8%, but it has a very high dividend growth rate, which could take the yield-on-cost higher in the future.

Enbridge

If you're looking for both high yield *and* dividend growth in one package, you can't beat **Enbridge Inc** (TSX:ENB)(NYSE:ENB). As Canada's largest pipeline company, Enbridge ships 3.3 million barrels of oil and LNG across North America each day.

Enbridge has grown its earnings tremendously over the last four years. However, its stock price has languished, which is one of two factors that contributes to its very high dividend yield.

The other factor is the fact that the company has a very high dividend growth rate, increasing its payout by 17.5% a year over the last five years.

Negative investor sentiment toward energy stocks could keep ENB's price down, so this may not be the stock for you if you're looking for capital gains. However, as a pure income play, it has a lot of potential.

CATEGORY

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2. Energy Stocks

TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNR (Canadian National Railway Company)
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Date
2025/08/09
Date Created
2020/02/16
Author
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