



## Dividend Stocks to Buy Right Now

### Description

Dividend stocks are known for their reliable income, but every now and then, these stocks go on sale, giving savvy investors a chance to profit.

Each of the following stocks has a different approach to delivering consistent [cash dividends](#). All of them look to have long-term, sustainable business models, meaning patient investors can capitalize on yields as high as 7.4%.

### Bullet-proof earnings

**Hydro One Limited** ([TSX:H](#)) is quite possibly the most reliable stock in Canada. Its 3.6% dividend is in no danger of being cut, even if a severe recession hits. Long term, this stock looks like a perfect fit for investors happy to receive high single-digit annual returns with limited downside risk.

The secret to Hydro One's stability is built directly into its business model. The company essentially transports electricity from hydro power plants to commercial, residential, and industrial customers in Ontario. Its transmission lines cover 98% of the province, giving it a near-monopoly.

In exchange for this monopoly status, the government limits how much Hydro One can charge its customers. Around 99% of revenue is rate-regulated. But there's an advantage to this: in addition to price *ceilings*, there are also price *floors*, which nearly eliminates downside risk.

Management wants to grow the rate base by 5% per year. In addition to the 3.6% dividend, which is essentially bulletproof, Hydro One is an appealing stock for risk-averse investors this year.

### Profit from uncertainty

**Rogers Sugar** ([TSX:RSI](#)) stock has traditionally been quite stable, but a recent headwind sent shares 20% lower, pushing the dividend yield up to 7.4%. Fortunately, the headwinds are *temporary*, giving patient investors a chance to profit.

Rogers Sugar was initially established as an income vehicle to distribute profits from a sugar plantation back to shareholders. For nearly a decade it's been paying out reliable dividends. Yet this winter, the sugar crop failed, meaning that results for the next quarter or two will be abysmal.

Notably, next year's crop won't be impacted, which makes this a short-term challenge. Additionally, management recently invested in maple syrup operations, diversifying the business into value-add products that won't be impacted by the recent failure. If you're willing to wait out the next few quarters, you can lock in the juicy 7.4% dividend.

## Own another monopoly

Hydro One isn't the only pseudo-monopoly on this list. **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)) and its 4.7% dividend is another solid bet.

Since 1995, TC Energy stock has increased in price by 400% while consistently paying a sizable dividend. Long-term shareholders have generated double-digit annual returns for several decades. The dividend recently experienced its twentieth consecutive annual increase. What's the secret?

TC Energy owns one of the largest networks of fossil fuel pipelines in North America. It's second only to industry giants like **Enbridge Inc.**

Pipelines are an attractive asset to own because they're expensive to build and have the most value when connected to a larger network. This consolidates the market to a handful of players. Limited options for customers results in pricing power.

Rather than being tied to commodity prices, most pipelines charge on volumes, so as oil and gas prices fluctuate, pipeline profitability remains the same.

Starting this year and lasting through 2023, management is advancing a \$30 billion capital program that could double the size of the company.

While you wait for this growth to materialize, you can enjoy the fully-backed 4.7% cash dividend.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:H (Hydro One Limited)
3. TSX:RSI (Rogers Sugar Inc.)
4. TSX:TRP (TC Energy Corporation)

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