15 Top TSX Dividend Stocks to Buy in June

Description

We asked 15 of our Foolish writers for their top dividend stock picks right now. Here is what they chose:

Kyle Walton: Toronto-Dominion Bank

My favourite dividend stock right now is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). TD provides a safe yield of over 5%, even in current market conditions. Additionally, the bank has the best dividend growth rate in the past decade amongst its Canadian Big Five peers.

The bank's recent Q2 2020 earnings report was not nearly as bad as it could have been. Furthermore, the bank continued its dividend growth streak with a 7% increase in February. TD appears on track to not only maintain its dividend in 2020 and 2021 but continue its streak of increases.

All of this makes TD my favourite dividend stock right now.

Fool contributor Kyle Walton has no position in any of the stocks mentioned.

Jed Lloren: Emera Incorporated

When choosing dividend stocks, I like to keep certain things in mind: How the sector will fare in current economic conditions, the strength and reliability of the dividend distribution, and potential future growth. With these in mind, my top dividend stock to buy now is **Emera Incorporated** (TSX:EMA).

Emera should make it through the pandemic without issue since the utility sector is generally recession-proof given its regulated nature and recurring income sources. The company currently has a nice 4.5% forward dividend yield while maintaining a 67% payout ratio. Emera is also listed as a Canadian Dividend Aristocrat, growing its dividend distribution for the past 13 years.

The stock is currently trading about 9.5% from its pre-COVID-19 high. Given the fact Emera grew 27% in 2019, it may only be a matter of time before the company sees a new all-time high again.

Fool contributor Jed Lloren has no position in any of the stocks mentioned.

Nicholas Dobroruka: Manulife Financial

My top dividend stock for the month of June is **Manulife Financial** (TSX:MFC)(NYSE:MFC).

The $35 billion company is the market leader for life insurance in Canada. Manulife also offers wealth management services, which is expected to be a key growth driving division for the future of the company.

The Dividend Aristocrat owns a six-year streak of increasing dividends. Each share pays a total annual dividend of $1.12, which is equal to a yield of whopping 6.5% at today's stock price.

Not only is the yield extremely impressive, but it's a reliable one too. At a payout ratio of roughly 45%, the company is in a strong position to continue to extend its dividend growth streak.

For investors who are looking for a dividend that has a mix of high-income and reliability, Manulife is the stock you're looking for.

Fool contributor Nicholas Dobroruka has no position in any of the stocks mentioned.

Stephanie Bedard-Chateauneuf: Choice Properties REIT

Choice Properties Real Estate Investment Trust (TSX:CHP.UN), one of Canada's largest REITs, is my top dividend stock to buy now.

Choice Properties invests in, manages and develops a portfolio of 724 properties, mostly retail properties, across Canada. The company generates the majority of its revenue by leasing properties to its tenants.

Choice Properties' principal tenant is food retail giant **Loblaw**. Its main tenants include **Dollarama**, which has continued to operate during the COVID-19 lockdown.

This REIT will help you get through the recession by giving you a consistent, regular income with cash flow supported by necessity-based retail properties.

Choice Properties pays a dividend of $0.0617 every month. The dividend yield is close to 6%.

Fool contributor Stephanie Bedard-Chateauneuf owns shares of Dollarama.

Puja Tayal: RioCan REIT

My top dividend stock pick is **RioCan REIT** (TSX: REI.UN) which offers a dividend yield above 9.5%.

The COVID-19 pandemic-driven lockdown impacted its monthly rent collection more than most other REITs. In April, it only collected 55% rent and deferred 17% rent for 60 days. Investors feared that it might slash monthly dividend, but it maintained its dividend per share.

The government has launched aid for tenants, wherein it will pay 50% of their rent for April, May, and June, and the landlord and tenant will each pay 25%. Thanks to this aid, RioCan CEO expects to collect 65-70% of total rent in April and May. This percentage will improve in June as the economy reopens. Its diversified tenant base and $1 billion in liquidity will help it withstand the crisis in the short-term.

However, RioCan's debt could pose a risk. In the worst-case scenario, it could halve its dividend, reducing its yield to 5%. Even then, the yield will be higher than many dividend stocks.

Fool contributor Puja Tayal has no position in any of the stocks mentioned.

Mat Litalien: Royal Bank of Canada

In times of uncertainty, sometimes bigger is better. On the TSX there is none bigger than **Royal Bank of Canada** (TSX:RY)(NYSE:RY). As Canada's largest publicly traded company, it has outperformed the competition during this pandemic. As of writing, it is only down by 7.15% compared to the double-digit average loss of the Big Five Banks.

Investors rely on Banks to generate stable and recurring income. For its part, RBC currently yields an attractive 4.58% and owns a nine-year dividend growth streak. Although dividend growth is on hold during the pandemic, the dividend is well covered. Having paid out uninterrupted dividends since 1870, it is one of the most reliable income stocks in the world.

Fool contributor Mat Litalien has no position in any of the stocks mentioned.

Aditya Raghunath: Enbridge Inc.

My top dividend stock pick right now is **Enbridge Inc.** (TSX:ENB)(NYSE:ENB). Enbridge is a Canada-based energy giant. It is in fact the largest energy infrastructure company in North America.

Enbridge operates over 23,000 miles of natural gas and 17,000 miles of crude oil pipelines across the continent. While its exposure to the oil industry has sent the stock lower in recent times, Enbridge is not an oil producer. Its vast network of pipelines transports oil and other commodities.

Enbridge generates over 90% of EBITDA from fee-based contracts, making it relatively immune to commodity price fluctuations. Due to its fee-based model, the company management could increase dividends by close to 10% in 2020 at a time when most energy companies are reducing or withdrawing these payouts.

In 2020, Enbridge expects to generate distributable cash flow between $4.5 and $4.8 per share. Comparatively, it pays a dividend of $3.24 per share annually, making its dividend payment sustainable. Enbridge is a top-quality stock on the TSX with a forward yield of 7.2%.

Fool contributor Aditya Raghunath has no position in any of the stocks mentioned.

Vineet Kulkarni: Canadian Natural Resources

An integrated energy giant **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) yields 6.3% at the moment, much higher than peer TSX energy stocks. It increased dividends by a notable 13% this year, while almost all big oil companies have trimmed or suspended payouts.

Canadian Natural has consistently increased dividends in the last 20 consecutive years. Its strong balance sheet and unique asset portfolio have helped it stand relatively better in these challenging times.

CNQ stock has rallied almost 150% in the last two months, notably outperforming peer TSX energy stocks. Interestingly, it still looks appealing from the valuation standpoint.

CNQ's solid dividend profile, along with strong capital gain prospects, adds to an attractive investment proposition for long-term investors.

Fool contributor Vineet Kulkarni has no position in any of the stocks mentioned.

Kay Ng: Brookfield Infrastructure Partners

My top dividend stock pick is **Brookfield Infrastructure Partners** (TSX:BIP.UN)(NYSE:BIP). It's defensive, valuable, and a good source of income.

Since its spinoff from **Brookfield Asset Management**, BIP has hiked its dividend every year for 12 consecutive years.

COVID-19 impacts BIP's port and toll road businesses, but the rest of its diversified portfolio remains defensive. Therefore, it should have no problem keeping its cash distribution safe. The overall portfolio experienced strong organic growth of 6% in Q1.

After spinning off its BIPC shares in Q1, BIP offers an annualized payout of US$1.94 per unit that's good for a yield of about 4.6%. Its quality infrastructure assets set investors up for long-term price appreciation and dividend increases.

Fool contributor Kay Ng owns shares of Brookfield Infrastructure and Brookfield Asset Management.

Amy Legate-Wolfe: Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) may not have the size amongst the Canadian Big Six Banks, but when it comes to its dividend CIBC is huge. The bank currently offers a 6.12% dividend yield for shareholders, coming in at $5.84 per share per year. Even better, the dividend has increased an average of 6.7% in the last decade, making CIBC a solid stock for dividend holders. Better still, management recently committed to no cuts to the dividend even during the pandemic.

This is great news, as CIBC could be the hardest hit bank of the Big Six Banks. It has enormous exposure to the Canadian housing market, the energy sector, and with a slow economy will see fewer people paying back loans. But all this is temporary. As the economy strengthens again, Canadians should see share price improve, and see high dividend yield increases. Meanwhile, management stated they realize Canadians see CIBC’s dividend as a source of income. So for now, it’s safe, stable, and still the highest of the Big Six Banks.

Fool contributor Amy Legate-Wolfe has no position in any of the stocks mentioned.

Joey Frenette: Restaurant Brands International

My top dividend stock for the month is **Restaurant Brands International** (TSX:QSR)(NYSE:QSR). Shares of QSR sport a bountiful 3.8%-yielding dividend at the time of writing. The company also looks to be in a spot to continue growing its dividend at an above-average rate moving forward as consumer habits gradually revert towards the mean after a full reopening of the economy.

In due time, I see consumers dining in at full capacity again, and once they do, Restaurant Brands stock will likely be back to commanding a lofty premium multiple once again.

Moreover, the fast-food behemoth sells what economists refer to as ‘inferior goods,’ which are goods that tend to see increased demand when times are tough. Given we’ve fallen into a recession, I’d say Restaurant Brands is in a spot to see its sales numbers bounce back to, and potentially above, pre-pandemic heights a lot sooner than most bears think.

Fool contributor Joey Frenette owns shares of Restaurant Brands International.

Sneha Nahata: Pembina Pipeline

When it comes to dividends, **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is my top pick. The company is a Dividend Aristocrat, implying it has consistently boosted investors’ return through higher dividends. Pembina’s dividends have grown at an annual rate of 6.5% over the past five years. Meanwhile, it has paid $4.5 billion in dividends during the same period.

Investors should note that Pembina has never announced a dividend cut irrespective of the economic situation. The company’s highly contracted business ensures steady cash flow generation that supports its payouts. Despite operating in the oil and gas space, Pembina’s dividends are safe and aren’t dependent on businesses that have direct commodity exposure. Instead, Pembina’s payouts are supported through stable fee-based distributable cash flows.

The pullback in Pembina stock following the crash in oil prices has driven its yield higher. Pembina stock currently offers a safe and juicy dividend yield of over 7%.

Fool contributor Sneha Nahata has no position in any of the stocks mentioned.

Andrew Button: Fortis Inc

When it comes to safety, yield and growth, it's hard to imagine a better dividend stock than **Fortis Inc** (TSX:FTS)(NYSE:FTS). The stock has an uninterrupted 46 year track record of increasing its dividend—one that's set to continue. All of these increases have come without an overly high payout ratio: as of 2019 it sat at 72%. So the company has more than enough earnings to pay and even raise its dividend.

As a utility, Fortis has the ability to grow in good economic times and bad. In 2008 and 2009, the company grew its earnings for two years in a row, despite the great recession. This is the kind of safety and stability dividend investors look for.

Fool contributor Andrew Button has no position in any of the stocks mentioned.

Nelson Smith: Canadian Utilities

My top Canadian dividend stock is **Canadian Utilities** (TSX:CU), an Alberta-based utility with a wonderful dividend growth record.

The owner of power plants, natural gas pipelines, and other utility assets does have a strong Alberta focus, but the province should nicely recover as oil prices keep marching forward. The company also has assets in Canada's north, Mexico, and Australia.

Perhaps the biggest reason to buy Canadian Utilities shares today is the company's dividend growth streak. The company has hiked dividends each year since 1972, which is the longest such streak among publicly traded companies. The current yield is a robust 5.3%, too.

Fool contributor Nelson Smith owns Canadian Utilities shares.

Debra Ray: Bank of Montreal

My top dividend stock pick for June is **Bank of Montreal** (TSX:BMO)(NYSE:BMO). Investors battered bank stocks on the Toronto Stock Exchange in March. Bank of Montreal is no exception, having gone from trading at around $100 per share to just over $76. Now, this dividend aristocrat boasts a 5.5% yield.

Temporary declines in demand can impact the banking sector through bankruptcies and defaults. Luckily, banks are well-capitalized after the global financial crisis. Shareholders in Canada are especially fortunate. Canadian banks are some of the safest in the world.

At a dividend yield of 5.5%, TSX investors should consider adding to their positions of BMO stock.

Fool contributor Debra Ray has no position in any of the stocks mentioned.

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2. NYSE:BMO (Bank of Montreal)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:CNQ (Canadian Natural Resources)
5. NYSE:ENB (Enbridge Inc.)
6. NYSE:FTS (Fortis Inc.)
7. NYSE:MFC (Manulife Financial Corporation)
8. NYSE:PBA (Pembina Pipeline Corporation)
9. NYSE:QSR (Restaurant Brands International Inc.)
10. NYSE:RY (Royal Bank of Canada)
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12. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
13. TSX:BMO (Bank Of Montreal)
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15. TSX:CM (Canadian Imperial Bank of Commerce)
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