3 Top Canadian Dividend Stocks to Buy in June

Description

Finding safe dividend stocks to pack in a “forever portfolio” isn’t an easy task at the best of times. With the amount of uncertainty facing the economy, it makes sense to buy only the most defensive companies right now. Today, we will review three stocks that satisfy a low-risk investment strategy. From banking to utilities, here are a few names Canadians with broad financial horizons need to know about.

The Big Five pick for steady passive income

BMO (TSX:BMO)(NYSE:BMO) matches good value for money with a dependable dividend in one blue-chip financial stock. A 5.57% dividend isn’t the richest of the Big Five, but that’s a suitably juicy yield. BMO satisfies many of the tangents that a long-term investment requires, including a spotless balance sheet. This stock is a low-risk play for long-term passive income to buy now and hold for many years.

Where does BMO excel more than its Big Five peers? In terms of value, it’s one of the cheaper Canadian banks, trading around book price. A 56% payout ratio indicates a well-covered dividend with room for payment growth down the line. It was a popular pick last week, rallying 12% in five days in line with the banking sector’s post-earnings rally.

Energy and infrastructure are solid long-term plays

Brookfield Infrastructure Partners (TSX:BIP.UN)(NYSE:BIP) is a play for world-class asset management and the stability of must-have services. Both of these desirable facts feed a reliable dividend, currently yielding 4%. This is a popular stock from the Brookfield stable, up 11% last week. Its global reach makes for a thoroughly diversified play on an international rebuilding and maintenance trend.

The Brookfield model of buying up assets and managing them to optimize value makes any of its names a solid buy. But Brookfield Infrastructure Partners is an especially strong choice for the long term, given its spread of assets central to proper social and economic functioning. Furthermore, the world is likely to see increased post-pandemic funding for infrastructure, making this Brookfield name well placed to capitalize.

Following on from one utilities, transport, energy, and data infrastructure play, we come to one of the TSX's strongest defensive stocks. Indeed, **Fortis** (TSX:FTS)(NYSE:FTS) is one of the strongest utilities stocks on the TSX, hands down. It's also got one of the stock exchange's longest payment track records.

Aside from boasting four-and-a-half decades of continual dividend payments, Fortis is a play for internationally diversified revenue. It's also a strong play in the regulated utilities space. Investors who have been seeking blue-chip names for a TFSA or RRSP have a core stock in Fortis. Its performance during the pandemic has been strong and is likely to carry on rewarding investors for years to come.

Fortis is not without its detractors, though. Its balance sheet health could be better, for instance, while growth prospects are limited. Value for money could also be better, with a P/B of 1.38 times earnings. What makes Fortis live up to its name, though, is that reliable 3.55% dividend. Projected five-year total returns of 81% also offer a glimpse into a Fortis shareholder's future gains in the near to mid-term.

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vhetherington