



Income Investor: Buy These 3 Dividend Stocks for Long-Term Wealth!

Description

The Canadian stock market is one of the best investment opportunities out there today. This is a lofty statement considering the sheer pain that Canadian investors — aside from those invested in **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) — feel on practically a daily basis. But fact that the Canadian market has been a complete disappointment makes it an excellent market in which to invest.

There is a bright side to that disappointment, however. Since stocks are so unloved, there is likely to be less downside if things begin to go south once again. Furthermore, if you choose to invest in some of Canada's best dogs, you can lock in a hefty yield that you can collect while you wait for things to turn around.

Some great stocks that are doing terribly

Well, you can practically throw a dart at Canadian stocks to find one that performed terribly and has a large yield. If you avoid the pure utility plays and the technology stocks, you have the pick of the litter when it comes to low valuation stocks with future growth.

Look instead to the real estate, telecom, banking, and oil and gas sectors and you will see that there are lots of deals remaining.

Some of the biggest and best stocks in the country have excellent exposure to global markets, growth potential, and dividends that will feel pretty good if things get rough again. Since these stocks have already been hammered, there is less distance to fall in tough times.

The **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) are three stocks you can buy today and hold throughout rough times.

Dividends will come in handy one day

If you are invested only in high-flying tech stocks with no dividends, you might feel really good at the moment. Capital gains are fantastic when stocks are going up, there is no doubt. Let's face it, Shopify's capital appreciation has far outstripped the dividend income from steady stocks in recent years.

If these dividend-less stocks start to collapse, however, it becomes a lot less comfortable to hold these stocks than it was before a collapse. [Dividends you get](#) to keep, but capital losses are gone forever. A market crash is frightening, so the stability and reliability of dividends from stocks like BCE, BNS, and ENB becomes very clear. These stocks are very unlikely to cut their payouts due to the dividend history and their business models.

With the need for internet connections ever-growing, BCE a staple nowadays. The telecom pumps out solid free cash flow quarter after quarter and is the pipeline the internet giants need to flow. It maintains [a dividend](#) of about 5.75% at the time of this writing. Its dividend grew by 5% in February of this year, marking the latest in a string of increases.

Another great dividend payer is BNS. The yield is currently north of 6%, historically high for the company. The company has been around for over a century and has a very long history of dividend payouts and dividend appreciation. The biggest risk to this company's payout is the debt situation facing Canadian consumers and its exposure to emerging markets in Latin America.

In spite of these challenges, the BNS has much of the danger baked into its stock price. The stock was punished severely in March and has barely recovered. At the moment, you are getting a beaten-up stock with a great history of operational expertise at a discount. The dividend sits at about 6.18% and was just raised by \$0.03 in August of 2019.

Enbridge is a stable dividend payer with a regulated utility business that supports the largest yield on the list. The problem with Enbridge is that the stock has sat stagnant for years now. The positive side is that the dividend has moved up steadily, increasing around 10% a year for some time now. While the increases are set to slow down to about 5% a year, the yield is now about 7%.

The bottom line

It is easy to look at the American stock market or dividend-less stocks and be jealous of their massive gains. Don't lose sight of the fact that even Canadian losers can be great-long term holds.

They are already low, so they likely won't fall as hard. These stocks have great dividends that will come in handy if things come unhinged again.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)

2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
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