5 Top TSX Dividend Stocks to Buy in July

Description

Investors seeking to generate reliable dividend income from their equity portfolio can consider these five **TSX** stocks. These TSX companies generate strong cash flows, which implies that investors can see an increase in payouts over time.

Fortis

Speaking of dividend-paying stocks, **Fortis** (TSX:FTS)(NYSE:FTS) is the obvious choice. The company has increased its dividends for 46 years in a row. Moreover, it offers a decent yield of 3.7%, which is pretty safe.

Fortis's rate-regulated assets help the company in generating predictable and growing cash flows, thereby supporting its payouts. Investors should note that the company expects its dividends to grow by 6% annually in the next five years, supported by healthy growth in its rate base. Economic downturns and large market swings barely have an impact on its business and stock. Thus, investors seeking reliable income should consider buying Fortis stock now.

TC Energy

When it comes to steady dividend income, **TC Energy** (TSX:TRP)(NYSE:TRP) is a reliable investment option. TC Energy has increased its dividends for 20 years straight. Besides, it remains well positioned to continue to grow it further in the coming years. Currently, its dividend yield stands at attractive 5.6%.

Despite these challenges, TC Energy's asset utilization rate remains high, and the company could continue to produce steady EBITDA and earnings growth in the coming quarters. The company's rate-regulated and contracted businesses account for the majority of its EBITDA, implying that volatility in the commodity prices and lower throughput volumes will not have much of an impact on its profitability.

The company expects to increase its dividends by 8-10% through 2021. Meanwhile, it projects 5-7% growth beyond 2021.

Canadian Utilities

Canadian Utilities (TSX:CU) has increased its dividends for 48 straight years, which is commendable. The utility company's dividend yield stands at 5.2%, which is high and safe. Moreover, investors can expect the company to increase dividends further in the coming years.

The company's rate-regulated utility assets account for 95% of its earnings. Moreover, the remaining comes from contracted assets. The company's stable earnings ensure that its payouts are covered. Meanwhile, steady rate base growth and cost efficiencies enable the company to increase its dividends consistently.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) stock offers a high dividend yield of 7.8%, which is secure. While the low crude oil prices impacted the company's mainline throughput and revenues, its diversified business supported by take-or-pay or cost of service arrangements ensure that its payouts are safe.

Enbridge has increased its dividends for 25 years in a row, with its dividends growing at a compound annual growth rate of 11% in the last 15 years. The company's sustainable cash flows and low-risk business should continue to support its future payouts.

Pembina Pipeline

Similar to Enbridge, lower oil prices took a toll on **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) stock. However, its forward yield of over 7.4% is too good to be ignored. While challenges persist, Pembina's fee-based distributable cash flows are adequate to cover its payouts.

Pembina continues to benefit from long-term contracts. Besides, its diversified business and recent acquisitions have resulted in resilient cash flow streams. Investors should note that Pembina's dividends are safe and could continue to increase in the future.

CATEGORY

1. Dividend Stocks
2. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. NYSE:TRP (Tc Energy)
5. TSX:CU (Canadian Utilities Limited)

6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. TSX:PPL (Pembina Pipeline Corporation)
9. TSX:TRP (TC Energy Corporation)

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