



3 Dividend Aristocrats I'm Buying in August

Description

The stock market could remain choppy in August after a stellar bull run over the past four months. Investors could witness high volatility as an uncertain economic outlook and rising COVID-19 present a significant threat. Meanwhile, the broader index could retract a bit due to the profit booking in stocks that have bounced back strongly from March lows.

These times call for an investment in stocks that have been consistently increasing their dividends over the past several years to [squeeze out safe and high yield](#). Here are three top dividend stocks to buy in August for reliable income that could continue to grow with you.

Enbridge

With a history of consistently increasing its dividends for the last 25 years, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a top dividend stock on the **TSX**. Further, its dividends have increased at a compound annual growth rate (CAGR) of 14% since 2008, which is encouraging. While lower mainline volumes amid a decline in oil prices have taken a toll on its stock, its dividends and high yield of 7.6% are safe.

Investors should note that Enbridge's adjusted EBITDA has consistently increased over the past several years and continues to support its earnings and distributable cash flows. In the [first half of 2020](#), Enbridge's adjusted EBITDA increased to \$7.08 billion as compared to \$6.98 billion in the first half of 2019.

The company's diverse revenue streams and resilient businesses continue to drive its EBITDA and cash flows despite lower throughput in liquid mainline volumes.

Investors should lap up Enbridge stock in August and hold for decades to benefit from strong dividend income and capital appreciation.

Telus

Similar to Enbridge, **Telus** ([TSX:T](#))([NYSE:TU](#)) is known for its long history of consistently increasing its dividends. The Canadian telecom giant has paid \$13 billion in dividends since 2004. Moreover, through its multi-year dividend-growth program, Telus targets a semi-annual dividend increase that translates into an annual dividend growth of 7-10%.

Earlier, the company said that it is deferring any dividend hike until the announcement of its third-quarter 2020 earnings. However, investors shouldn't panic much as its strong free cash flow generating capabilities should help the company to continue to pay higher dividends to its shareholders.

Telus continues to add new revenue-generating units. Its net client additions climbed during the last reported quarter, while the mobile churn rate came down. Besides, the free cash flows jumped significantly compared to the prior-year quarter.

Continued growth in its customer base, steady ARPU, low churn rate, and cost control measures should continue to support the company's bottom line, and, in turn, its payouts. Telus offers an attractive yield of 5%, which is safe, while its dividends are likely to increase in the future.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) has increased its dividends for 10 years at an annualized rate of 10%. Its diversified utility and renewable assets ensure that its dividends are safe and growing.

The company's predictable cash flows, rate-regulated business, and cost-reduction strategies imply that its attractive forward yield of 4.7% is very secure. Further, investors can expect decent growth in dividends in the coming years.

Bottom line

There's nothing better to see dividends rolling into your account even amid a volatile market. By investing in these TSX Dividend Aristocrats, investors can be confident of generating steady passive income irrespective of where the stock market moves.

CATEGORY

1. Dividend Stocks
2. Energy Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks

Date

2025/08/04

Date Created

2020/08/03

Author

snahata

default watermark

default watermark