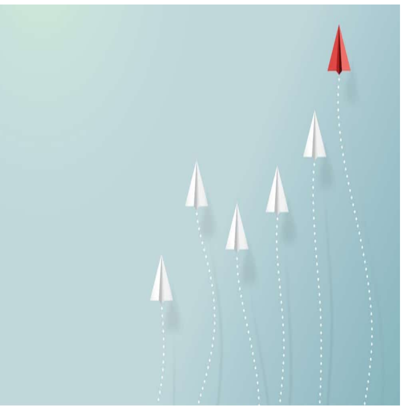

3 TSX Dividend Stocks to Buy and Hold Forever

Description

Smart investors start planning for their retirement early. However, investors who start off very early tend to be relatively inexperienced. Market volatility often causes them to second-guess their investments and play around with their asset allocation plan.

However, they should be doing the opposite. Once they have decided on good stocks that can last the whole hog, they should sit tight and not bother about volatility. In fact, investors should be adding to their portfolio at every chance possible. Here we look at three evergreen dividend stocks on the **TSX** that are safe long-term bets for investors.

An energy-based Dividend Aristocrat

TC Energy (TSX:TRP)(NYSE:TRP) has one of North America's largest natural gas pipelines at 57,500 miles and supplies over 25% of natural gas in the continent. It is one of the few energy companies that withstood the panic created by the COVID-19 pandemic.

TC Energy reported an EBITDA of $2.199 billion in Q2 of 2020, a drop of just 5.4% from the same period in 2019. Its natural gas business generated a 17% rise in earnings compared to 2019.

The company's $37 billion expansion program will be a key revenue driver in the upcoming decade and TC is confident that its new projects will help increase its dividend by 8%-10% next year, and by 5%-7% post-2021.

Given that the company's forward dividend yield is a tasty 5%, TC Energy is a screaming buy. Analysts have given the company a target price of $72.3, an upside of over 12%. When you combine the dividend income with the growth potential of the company, there's really no reason not to hold this amazing stock in your portfolio.

A utility giant with a dividend yield of 4.5%

Emera (TSX:EMA) is another diversified energy and utility services company. It operates in Canada, the USA, and four Caribbean countries. Around 90% of its electric utilities consist of regulated assets, assuring a steady revenue stream allowing it to have a yield of 4.5%.

Emera reported a net income of $118 million or $0.48 per share in Q2 compared with a net income of $130 million or $0.54 per share in the prior-year period.

Analysts have given it a price target of $61.62, an upside of almost 19% from its current price of $54.42. When the dividend payout is included, you are looking at a return of almost 25%. This is a stock that should have people lining up to buy it.

A high growth utility company

Algonquin Power and Utilities (TSX:AQN)(NYSE:AQN) is one of the better-known utility companies in North America with over 50 power facilities and 20 utilities across the continent. Electricity and gas are basic essentials for every household and will be among the last bills that consumers stop paying even as their financial situation worsens. Its utility business has 770,000 customers in the U.S.

Algonquin has been growing its renewable energy portfolio with long term contracted projects totaling 1.5GW in installed capacity across wind, solar, and hydro. The company through its subsidiaries owns an equity interest in more than 39 clean energy facilities.

The company's stock is trading below $20 right now and is still 22% off its pre-pandemic levels. It has a forward dividend yield of 4.66% and is a steal at current prices.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TRP (Tc Energy)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:EMA (Emera Incorporated)
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Date
2025/08/24
Date Created
2020/08/13
Author
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