Got $4,000? 4 Dividend All-Star Stocks to Buy Now

Description

Earlier this month, I'd discussed why investors with some cash to spare should look to add dividend all-star stocks. These are stocks with strong fundamentals and an impressive dividend history. Many investors are worried about high valuations right now. Holding these reliable income-paying equities is a great way to protect your portfolio against volatility in the weeks ahead.

Two dividend all-star stocks you can rely on forever

BCE (TSX:BCE)(NYSE:BCE) is one of the largest telecommunications companies in Canada. Its shares have dropped 2.1% in 2020 as of close on August 20. However, the stock is up 5.5% over the past month. Telecom is a reliable sector that offers essential cable and Internet services to millions of Canadians.

In Q2 2020, the company delivered strong cash flows from operating activities of $2.56 billion – up 22.4% from the prior year. It continued to experience expansion for its next-generation networks across Canada, even in the face of the COVID-19 pandemic. Shares of BCE last had a price-to-earnings ratio of 21, putting it in solid value territory relative to industry peers.

Better yet, BCE last declared a quarterly dividend of $0.8325 per share – up 5% from the previous year. It has delivered dividend-growth for 11 consecutive years. These are the reasons BCE qualifies as a dividend all-star stock.

Northland Power is an independent power producer that develops, builds, owns, and operates clean and green power projects. Its shares have increased 36% in 2020 as of close on August 20. This utility is undervalued and has a strong track record. It more than qualifies as a dividend all-star stock.

In the second quarter of 2020, sales rose 25% year-over-year to $429 million. Adjusted EBITDA climbed 17% from the prior year to $227 million. The stock last had a favourable P/E ratio of 19. Northland Power offers a monthly dividend of $0.10 per share, which represents a 3.3% yield.

Don’t sleep on Saputo in 2020 and beyond

Saputo is one of the largest dairy producers in the world. It is very stable as it benefits from Canada’s supply management system. Shares have dropped 13% in 2020.

It released its first quarter fiscal 2021 results on August 6. Revenues fell 7.6% year-over-year to $3.39 billion and adjusted EBITDA dropped 2.4% to $366 million. The COVID-19 pandemic had a negative impact on Saputo, but the Canada sector achieved higher sales volumes. Saputo’s stability and history make it a dividend all-star stock worth owning for the long term.

Shares of Saputo last had a solid P/E ratio of 23. It last paid out a quarterly dividend of $0.17 per share, representing a modest 2% yield.

This regional bank is my favourite dividend all-star stock

Back in May, I’d suggested that investors scoop up **Canadian Western Bank** stock. Its stock has dropped 23% so far this year. However, its shares have increased 13% over the past three months. In Q2 2020, Canadian Western achieved revenue growth of 2% to $214 million and branch-raised deposits increased 20% to $15.2 billion.

This is my favourite dividend all-star stock for its value and its income. Shares last possessed an attractive P/E ratio of 7.9 and a P/B value of 0.7. It has delivered dividend growth for 28 consecutive years. Canadian Western last paid out a quarterly dividend of $0.29 per share. This represents a solid 4.8% yield.

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