3 TSX Dividend Stocks for Beginners to Buy in September

Description

Although **TSX** stocks at large have recovered most of the ground that was lost in the pandemic crash, some are still trading way below their pre-crash levels. So, if you are sitting some cash, consider these top dividend names for long-term, stable growth.

TC Energy

One reliable dividend name in the Canadian midstream energy space is **TC Energy** (TSX:TRP)(NYSE:TRP). The stock yields a notable 5.4% and has increased dividends for the last 20 consecutive years.

Even though it yields lower than peer **Enbridge**, I like TRP stock more because of its discounted valuation. Over the long term, both these oil pipeline companies have generated approximately parallel returns.

Thus, TRP's attractive valuation provides superior growth prospects at the moment. TC Energy stock has soared almost 30% since its record lows in March, notably outperforming peer Enbridge stock.

Unlike oil-producing companies, a $57 billion TC Energy has a low-risk, fixed-fee business model. This facilitates earnings and dividend stability, which is more comforting for investors. TC Energy expects to increase dividends by around 10% next year.

TC Energy intends to invest more than $37 billion in capital projects through 2023. This should expand its pipeline network and should boost revenues.

Algonquin Power & Utilities

Top utility stock **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) has notably beat broader markets in the long term. While utilities are generally slow-growth stocks, Algonquin stood tall and has returned almost 650% in the last decade, outperforming peer utilities.

Algonquin stock is currently trading at a dividend yield of 4.5%, higher than the broader markets' average. Its dividends have grown by 7.5% in the last five years compounded annually. Algonquin's management aims to grow its dividends by 10% per year through 2021.

Its above-average earnings and dividend growth compared to peers make it an attractive bet for long-term investors.

Utility stocks are often termed as widow-and-orphan stocks due to their slow stock movements and steady dividends. However, they can produce noteworthy returns over the years and outpace a growth stock in the long term.

BCE

BCE (TSX:BCE)(NYSE:BCE) stock has largely been trading in a narrow range for the last three months. Its quarterly earnings failed to uplift the stock due to subdued numbers. However, this softness could be a big opportunity for long-term investors.

The country's biggest telecom company BCE has launched its 5G network across major cities, including Montréal, Greater Toronto, Calgary, Edmonton, and Vancouver. Though it might take years for 5G to reach every Canadian, the emerging technology will certainly bring lots of growth opportunities for BCE.

BCE is expected to pay a dividend of $3.30 per share this year, indicating an annualized yield of 6%. Investors should note that BCE sports the highest yield among peer telecom stocks, despite cutting payouts for Q4 2020.

Bottom line

Importantly, these dividend stocks might not be multi-baggers, but the stability they provide is truly unmatched. Their stable stock movements and growing dividends will most likely outperform broader markets in the long term.

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vinitkularni20