2 Top TSX Dividend Stocks to Buy in October 2020

Description

It might seem risky to invest in stocks on the **Toronto Stock Exchange** as the world still grapples with the COVID-19 pandemic. Nevertheless, it is important to remember that investing is a long-term endeavor. There will naturally be ups and downs in the stock market.

Don't worry about the current value of your retirement portfolio. Instead, focus on maintaining a comfortable balance between cash and stocks. As long as you have an emergency fund set up to get you through difficult periods, then you shouldn't have to worry about the value of your stock market portfolio today.

Focus on the fact that value returns to stocks over time. The trick is to practice dollar-cost averaging strategies by picking up additional shares in strong companies while the market is down.

Here are two top TSX dividend stocks that you may want to consider buying in October 2020.

Lundin Mining Corporation stock: optimistic about production growth

Lundin Mining Corporation (TSX:LUN) fell to $4.08 during the March market sell-0ff before rebounding to 52-week high of $8.59. At the time of writing, investors are trading the mining stock for $8.06 per share. The annual dividend yield is low but respectable at around 2%.

Marie Inkster, President & CEO of Lundin Mining Corporation, commented on expectations for the second half of 2020 despite the risk from the COVID-19 pandemic:

> "Our operations are set for an improved second half of the year. While we have reduced Candelaria's full year production guidance, Eagle's copper production has been increased, and cash cost guidance for both Chapada and Eagle have been improved. The 2020 capital expenditure guidance for ZEP has increased slightly as minor project works are continuing that will help facilitate a smooth restart and ramp-up of construction activities

> when that occurs."

The price-to-earnings ratio on this stock is quite high at 88.25, indicating some risk in this investment. This stock isn't selling for the best value. The company is optimistic about its future growth prospects, but no analyst can guarantee that this growth will materialize.

If you decide to purchase this stock, take caution as you slowly buy shares to account for this risk. Also, remember to maintain a long-term perspective on your investment decisions.

Algonquin Power & Utilities Corp building renewable energy business

Algonquin Power & Utilities Corp (TSX:AQN)(NYSE:AQN) fell from a 52-week high of $22.39 to a 52-week low of $13.84 during the March 2020 market sell-0ff. At the time of writing, the stock is trading for $18.98 per share. The dividend yield is more than decent at 4.34% annually.

Chief Executive Officer of APUC Arun Banskota had this to say about the utility company's progress during the COVID-19 pandemic:

> "We continue to execute on our 5-year $9.2 billion capital program and are making good progress on projects under construction. We are also pleased that in line with our ESG commitment and our commercial and industrial growth strategy, we have reached a framework agreement with Chevron where APUC will seek to develop, build and operate renewable energy solutions taking advantage of Chevron's global operations to reduce their carbon footprint over the next several years."

Given the economic weakness and continued uncertainty surrounding the COVID-19 pandemic, savvy shareholders should consider utility stocks safe investments. Algonquin offers additional benefits because it is investing in future growth through a renewable energy partnership with **Chevron**. If you want to buy this stock for your portfolio, now would be a good time while it is still below its 52-week high.

As with any investment, fully research your decisions and pick up shares slowly. You may find more success by buying on days when the market is down.

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:LUN (Lundin Mining Corporation)

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