



## 3 Top Canadian Dividend Stocks to Buy Now

### Description

Are you looking for great Canadian dividend stocks? **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), and **Telus** ([TSX:T](#))([NYSE:TU](#)) are three top Canadian dividend stocks. They have been paying a dividend for many years and are increasing their distribution regularly.

### Royal Bank of Canada

Royal Bank of Canada is the largest bank in Canada. The bank provides personal and commercial banking, wealth management, insurance, investor services, and financial market products and services globally. The company serves personal, commercial, public sector, and institutional clients in Canada, the United States, and approximately 40 other countries.

Royal Bank is among the Canadian dividend stocks with the longest history. The bank has been paying dividends since 1870 and has never missed a dividend payment since. Royal Bank has been hiking its dividend for nine straight years. The five-year dividend growth rate is 7.5% and the current dividend yield is 4.5%. The dividend payout ratio is 55.5%.

Like other Canadian banks, Royal Bank has [put aside a huge amount of money](#) in case of any loan defaults. We probably won't see the full financial impact of the COVID-19 pandemic until mid-2021. It's possible that the bank won't raise its dividend in 2021. However, considering the high initial yield of over 4%, one can afford to wait for a dividend increase. The stock has a P/E ratio of 12.5.

### Canadian National Railway

The Canadian National Railway Company is engaged in the rail industry and related transportation. The company's network of approximately 20,000 miles of track spans Canada and central America. Although rail is not frequently used for passenger travel here in North America, rail remains the most efficient way to transport goods. Canadian National's extensive rail network enables the company to provide transportation services in North America and generate profits for shareholders.

While Canadian National Railway has a dividend yield of only 1.7%, the company has a dividend growth rate of 16.5% over the past five years, which is high. If we look at CN's 10-year dividend growth history, Canada's national railways have increased dividends by an average of 15.6%. It is an impressive achievement. The railway company has been increasing its dividend for 24 consecutive years. Its payout ratio is 47.3%. The stock has a P/E ratio of 29.1.

## Telus

Telus is one of the Big Three Canadian telecommunications companies based in Vancouver, British Columbia. The company offers a range of telecommunications products and services, including wireless and wired voice and data. Telus has around 11 million subscribers and it has increased its dividend for 16 straight years.

The dividend yield of 5% is quite interesting. Telus five-year dividend growth rate is 8.2%. Its payout ratio is close to 100%.

Canadians are dependent on smartphones and data, allowing Telus to continue to make huge profits. The high payout rate is a bit of a concern, however, indicating that Telus' revenue growth has slowed relative to its dividend growth. There is a strong possibility that Telus' dividend growth rate will slow down over the next several years unless Telus can increase revenue growth. This is why Telus is exploring other telecommunications services to increase its revenues.

One of the reasons for the high payout rate is that Telus is investing money [in new 5G infrastructure](#). Telus is also expanding other segments such as home security, healthcare, television, and the Internet. Telus P/E ratio is 20.6.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TU (TELUS)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:RY (Royal Bank of Canada)
6. TSX:T (TELUS)

### PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

**Category**

1. Investing

**Date**

2025/08/18

**Date Created**

2020/10/23

**Author**

sbchateauneuf

default watermark

default watermark