



3 Top TSX Dividend Stocks to Buy for November

Description

Dividend stocks are an important part of every investor's portfolio. These investments provide excellent returns for investors in addition to crucial stability.

Oftentimes, though, investors will be most concerned with how much a stock's dividend yields. While this is obviously important and can play a big role in maximizing your portfolio's return, the yield isn't everything.

It's crucial we are still buying solid long-term businesses that will grow our capital. In addition, we want to make sure that the company can continue to afford the dividend.

So, after everything we've been through this year and all the uncertainty that remains, here are three **TSX** dividend stocks worth buying today.

Restaurant dividend stock

Pizza Pizza Royalty ([TSX:PZA](#)) is one of the most attractive TSX stocks for [passive-income seekers](#). By receiving royalties from its network of stores and then directly paying out almost all that revenue, the stock will effectively see little capital appreciation.

Instead, investors will get exposure to solid and reliable dividend income that should largely remain the same. Of course, the stock price can increase if revenue grows and if Pizza Pizza decides to increase its 7% dividend.

That's something to look forward to over the next few months, as the economy continues to recover from the pandemic.

The company was, of course, impacted by the coronavirus pandemic. However, compared to almost all of its peers, Pizza Pizza has been a lot more resilient. It did have to cut its dividend by roughly 30% earlier in the year, roughly the same amount the stock is trading off its highs.

Although cutting the dividend was necessary, trimming it by 30% was intentional. This way, Pizza Pizza could remain conservative and build up its cash position. However, as Pizza Pizza's revenue naturally recovers, a dividend increase could happen soon. That would result in significant capital gains potential for investors in the short run.

Oil and gas dividend stock

Freehold Royalties ([TSX:FRU](#)) is a company that's sort of similar to Pizza Pizza. However, instead of collecting royalties from restaurants, it collects royalties from energy companies producing oil and gas on its land.

The company has understandably had a difficult time in 2020, as oil prices have suffered. Mandatory curtailments and companies opting to trim production on their own, as well as other complications, have impacted Freehold's revenue considerably.

However, the stock still has a tonne of value, and it pays a 4.6% dividend. So, as energy recovers, Freehold will be one of the top investments.

Freehold is a great low-risk way to play an energy recovery, because the stock has very little debt and a stable business model. So, for the short term, investors can be happy with collecting the dividend. And as oil demand and prices begin to recover, investors have the potential for gains.

Top TSX telecom stock

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#)) is the last TSX dividend stock to consider. It's one of the major telecom companies — perfect businesses to pay dividends. These companies are huge cash cows, which is why Shaw pays a 5.1% dividend.

These companies are also extremely defensive, too. Because the services telecoms offer are essential and don't fluctuate much in different economic environments, [you can count on these dividend stocks](#) to be reliable.

However, its dividend and defensive attributes aren't all an investment in Shaw offers. Investors will also get exposure to its massive growth potential both in the short and long term.

The short-term growth comes from Shaw's wireless segment, which continues to pick up steam. Its long-term growth potential comes from the continuous growth in Canadian telecommunications. This long-term growth will have a lot to do with innovation coming from the introduction of 5G technology.

So, if you want an attractive 5% dividend stock that also offers huge long-term capital gain potential, Shaw is the ultimate stock to buy.

CATEGORY

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TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:SJR.B (Shaw Communications)

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