



3 Top TSX Stocks to Buy Ahead of Their Ex-Dividend Dates

Description

You will agree that dividends are more reliable than capital gains, at least with some stocks. That's why dividend stocks generally outperform broader markets over the longer term. If you have some cash, consider these top **TSX** stocks, which have their ex-dividend dates planned in the next few days.

The ex-dividend date is a day before a date when the company checks whether your name is in its books to allocate dividends. So, one needs to buy shares a day prior to an ex-dividend date to collect those dividends.

Bank of Montreal

One of the largest banks in the country, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), has set its fourth-quarter dividend at \$1.06 per share. The ex-dividend date for it is October 30 and will be paid on November 25.

That amount indicates an annualized dividend yield of over 5%, which is higher than TSX stocks at large. The bank's policy is to share approximately half of its earnings with shareholders in the form of dividends. The 50% payout ratio is well in line with the industry average and looks feasible for the next few years.

BMO stock is still trading 20% lower than its pre-pandemic levels. Importantly, Canadian bank stocks, including BMO, might not see a significant surge in the short term, given the stalled recovery amid the pandemic. However, their [dividends look stable](#), and long-term total return potential makes stocks like BMO attractive.

Canadian Utilities

Utility stocks have outperformed broader markets in the last few weeks amid increased volatility.

Canadian Utilities ([TSX:CU](#)) is one of the safest utility stocks if [you want to give a defensive tilt to your portfolio](#).

Canadian Utilities stock has its ex-dividend date on November 4. It will pay a dividend of \$0.44 per share for the fourth quarter, which indicates an annualized yield of 5.2%. An investment of \$10,000 would generate \$520 in dividends every year.

Canadian Utilities has increased its per-share dividends for the last 48 consecutive years, the longest payout growth streak for any Canadian company.

Additionally, Canadian Utilities generates 95% of its earnings from regulated operations. This enables stability and visibility and bodes well for shareholder payouts.

Canadian Utilities stock is comparatively slow and might not create wealth in a short period of time. However, if you are seeking stable quarterly payouts with capital protection for years, CU stock should be on top of your buying list.

Emera

Emera ([TSX:EMA](#)) declared a quarterly dividend of \$0.64 per share, which will be paid on November 16. The ex-dividend date is October 30, and one has to buy Emera shares on or before October 29 to avail of those dividends. Emera will pay total dividends of \$2.55 for the year 2020, which implies a dividend yield of 4.6%.

It is one of the country's biggest utilities and collectively serves more than 2.5 million customers in Canada, the U.S., and the Caribbean.

Emera stock was relatively resilient in the pandemic crash and is marginally up so far this year. In the last 10 years, it has returned 250%, including dividends, notably outperforming peer utility stocks and the **TSX Index**.

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:EMA (Emera Incorporated)

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