
The 4 Biggest Canadian Stocks That Raised Dividends Amid the Pandemic

**Description**

The pandemic-driven uncertainty drove many Canadian companies to suspend or cut their dividends this year. However, some stood strong and not just maintained but rather increased shareholder payouts during these unprecedented times.



A stable earnings outlook and sound balance sheets could be some of the reasons behind the recent dividend increase. Long-term investors can consider these top TSX stocks that remained resilient in some of the worst times.

## Top Canadian stocks: Enbridge

Top energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) managed to increase its dividends by 10% this year compared to 2019. This was its 25th consecutive year of payout increase — one of the longest dividend increase streaks in Canada.

Enbridge stock yields 8.6% at the moment, significantly higher than its historical average yield.

Notably, Enbridge's stable cash flows and a low-risk business model allows it to pay such constantly growing dividends to shareholders. It has low exposure to volatile oil and gas prices and generates revenues from long-term fixed-fee contracts.

Importantly, despite the energy market's weaker outlook, Enbridge will likely continue to pay steadily growing dividends for years due to its visible cash flows.

## Fortis

**Fortis** (TSX:FTS)(NYSE:FTS) continued its dividend increase streak this year as well, marking the 47th consecutive year. For the fourth quarter of 2020, Canada's biggest utility will pay a dividend of $0.505 per share, indicating an annualized yield of 4%.

Fortis is one of the most stable stocks on the TSX, largely due to its stable earnings and dividends. Utility stocks like Fortis generally outperform in low interest rate environments, as yield-seeking investors turn to utilities from bonds.

Additionally, utilities' earnings are not correlated to business cycles. They earn stable earnings whether in an economic boom or in recessions. Thus, investors generally prefer utility stocks amid broad market uncertainty.

Fortis has returned almost 1,200% in the last 20 years, including dividends, notably outperforming the **TSX Index**.

## Intact Financial

Canada's property and mortgage insurance leader **Intact Financial** (TSX:IFC) has stayed strong during the pandemic. It managed to increase quarterly dividends by 9% to $0.83 per share in March 2020.

IFC offers a dividend yield of 2.3% at the moment. Though it is not as attractive as some of the Dividend Aristocrats, Intact Financial offers attractive total-return potential.



Intact offers a decent investment proposition due to its size, leading market share, and stable cash flows. Its quarterly earnings so far in 2020 exceeded expectations, which supported the stock price amid broad market volatility.

Though pandemic-related stress might weigh on the stock in the short term, it will likely keep on trading strong in the longer term.

## Canadian Natural Resources

Energy has been one of the most hated sectors across broader markets this year. **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ), the country's biggest energy company, stood strong in this unprecedented crisis.

It increased shareholder payouts by 13% this year compared to 2019. CNQ offers a yield of 8%, notably higher than TSX stocks at large. While many energy companies trimmed or suspended dividends amid the pandemic, Canadian Natural kept on raising its payouts. Its strong balance sheet and resilience to lower oil prices drove the dividend increase.

A possible dividend cut can't be ruled out totally in case of the prolonged pandemic. However, its diversified product base and unique set of assets differentiate it from peers and enable predictable cash flows for the future.

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1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

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1. Editor's Choice

**TICKERS GLOBAL**

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)
7. TSX:IFC (Intact Financial Corporation)

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