



## 2 Dividend Stocks You Need in Your Portfolio in 2021

### Description

Many Canadians are actively working on building a solid dividend portfolio with the goal of being able to live off passive income. However, choosing which companies to include can be difficult. One way to remedy this issue would be to use research services like this website. The Motley Fool offers its Dividend Investor service, which can help Canadians navigate the stock market. In this article, I will do my part in helping you navigate the markets and discuss two companies you should be holding next year.

### This renewable energy company cannot be denied

I believe the renewable energy industry is one of the most attractive areas to be searching for dividend companies. This industry provides investors with businesses that have a very predictable and reliable source of revenue. Regardless of the economic conditions, cities will continue to require electricity. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) remains my top pick within this industry.

The company is already established as a global leader in this space, operating one of the world's largest renewable power platforms. Brookfield Renewable owns a portfolio of 5,318 assets, which include hydroelectric, wind, solar, distributed generation, and storage facilities. All considered, Brookfield Renewable's portfolio has a capacity of 19,400 MW. In the near future, this figure should rise dramatically, as the company is continually adding to this portfolio.

Last Wednesday, Brookfield announced that it would be buying **Exelon's** solar energy assets for \$810 million. This comes soon after Brookfield Renewable's disclosed acquisition of a 1,200 MW solar development project in Brazil [in the last quarter](#).

Year to date, Brookfield Renewable stock has gained more than 50%, as of this writing. That is a remarkable performance when compared to other utility companies. After a 75% gain in 2019, investors are wondering how much longer this growth can last. For now, it appears as though the company is still prioritizing growth in the quickly emerging industry.

## A dark horse in the Canadian rail industry

When investors discuss strong dividend companies, recommendations featuring **Canadian National Railway** are not uncommon. This is true on both sides of the border, with many famous investors, including Bill Gates, holding shares in this company. While I am not one to disagree with one of the richest people alive, I believe **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) is the [premier rail company](#) in Canada.

The reason I think Canadian Pacific pulls ahead of Canadian National is because its management team appears to be much more forward-thinking. The company has announced a number of acquisitions this year, which greatly expand its network. In addition, Canadian Pacific has been dedicated to shifting towards using renewable energy at its headquarters. While this may not sound like much, I believe it shows a certain level of competency from company leadership.

In terms of investment metrics, Canadian Pacific comes in with a market cap of \$58 billion. While that may sound large, it is just over half that of Canadian National (\$99 billion market cap). With the company's management team still focused on gaining market share and expanding its network, a strong argument can be made for a lot of potential growth ahead for Canadian Pacific.

## Foolish takeaway

Brookfield Renewable Partners and Canadian Pacific Railway are two companies that dividend investors should hold in their portfolios next year. Both companies are leaders in their respective industries and have been prioritizing company growth this year. With management teams so focused on expanding and gaining market share, these two companies should see massive growth once institutional investors are able to digest all of this action by these two strong companies.

### CATEGORY

1. Investing

### POST TAG

1. canada
2. dividend
3. dividend stock
4. investing
5. long term growth
6. recession proof
7. Stocks
8. utilities

### TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CP (Canadian Pacific Railway)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

4. TSX:CP (Canadian Pacific Railway)

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