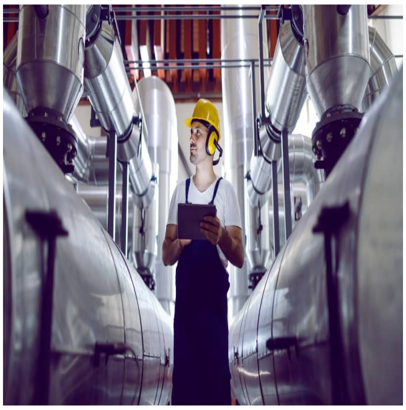

Passive Income Investors: 3 Top TSX Dividend Stocks to Buy Today

Description

Although dividend investing looks like a boring strategy at first, it is undeniably one of the safest and most rewarding strategies out there. Dividends play a vital role in driving shareholders' total returns over the long term. In many cases, top dividend stocks have notably outperformed growth stocks in the longer term.

Here are four top **TSX** dividend stocks to buy for the next few decades.

Enbridge

Top energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the top-yielding stocks on the TSX. It announced dividends of $3.44 per share for 2021, indicating a dividend yield of 8.4%. That's a substantially higher yield against the average yield on the TSX.

Enbridge is a relatively safer bet compared to peer energy companies as its earnings are not exposed to volatile oil and gas prices. It is an oil and gas pipeline company that earns fixed-fees on long-term contracts.

It generates stable earnings, which facilitates stable dividends, which is why it's managed to increase dividends for the last 26 consecutive years.

Long-term investors can overlook the near-term gyrations of the Enbridge stock. It has returned 13% per year on average for the last two decades, notably outperforming the **TSX Composite Index.**

Its unique network of pipelines and unmatchable scale generate safe and stable earnings that will likely continue to create decent shareholder returns in the long term.

Algonquin Power & Utilities

Top utility stock **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) yields 4%. Although that's much lower than Enbridge, Algonquin offers a lucrative investment proposition.

It is a $12 billion utility that distributes natural gas and electricity and also operates renewable assets. The company generates a big slice of its earnings from regulated operations, which offer earnings stability and predictability.

Algonquin has notably beat peer Canadian utility stocks in the last several years. Its superior earnings growth, driven by high-quality renewable assets, drove its stock in this period.

Utilities generally give away a large chunk of their earnings to shareholders in the form of dividends. Algonquin is no exception.

However, it distributed around 55% of its earnings to shareholders, which is notably lower than the industry average, which indicates plenty of room for dividend growth for the future.

Investors seeking stable returns with decent passive income for years can consider Algonquin Power & Utilities stock.

BCE

Telecom companies are mature and stable companies. However, the advent of 5G will be a game-changer for them for the next few years. If you want to play the 5G rally, consider Canadian telecom giant **BCE** (TSX:BCE)(NYSE:BCE).

BCE is Canada's biggest telecom company by market cap and serves almost 10 million subscribers. It is relatively behind in the 5G rollout race, but it won't matter much after a few years.

BCE stock yields 6%, highest among the peer telecom stocks. Its stable earnings enable stable dividends for shareholders. The pandemic dented its earnings in 2020 amid lower roaming revenues and lockdowns.

However, it seems poised for earnings growth recovery next year with mobility restrictions easing.

These three top TSX dividend stocks offer immense stability and are suited for retirement. If you invest $100,000 in these three TSX stocks equally, you will generate $6000 per year in dividends.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)
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Date
2025/08/23
Date Created
2020/12/21
Author
vinitkularni20