The 5 Best Canadian Dividend Stocks to Buy Right Now

Description

If you prefer stable income flow from equities, consider buying dividend stocks. I have taken out a list of the top five Canadian dividend stocks that have been paying dividends for a very long period and have increased them in the last 10 years. Furthermore, these companies produce resilient cash flows, indicating they could continue to raise their dividends over the next decade.

Here are the top five dividend stocks you could consider buying right now.

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Toronto-Dominion Bank

Leading Canadian lender **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) has paid dividends for 164 straight years. Moreover, the bank raised its annual dividends at an average annual rate of 11% since 1995, which is higher than its peers.

The bank's diversified portfolio, ability to drive loans and deposits, and operating efficiency support its earnings and, in turn, its dividends. With the expected improvement in the economy, Toronto-Dominion Bank's top and bottom line could show growth in 2021. The bank pays an annual dividend of $3.16 a share, reflecting a yield of 4.2%.

Canadian Utilities

Canadian Utilities (TSX:CU) has raised its dividends for 48 years in a row. The company's robust dividend payments are backed by its high-quality earnings base. Canadian Utilities derives its earnings from the regulated utility assets that generate predictable and growing cash flows and support its payouts.

Canadian Utilities's continued investments in regulated and long-term contracted assets suggest that it could continue to deliver healthy earnings and cash flows in the coming years, which is likely to support its higher dividend payments. The utility company pays an annual dividend of $1.74 a share, reflecting a yield of 5.6%.

Fortis

Utility giant **Fortis** (TSX:FTS)(NYSE:FTS) has raised its dividends for 47 consecutive years and remains well-positioned to increase it further. Like Canadian Utilities, Fortis also derives its earnings from regulated assets that generate resilient cash flows and support its payouts.

Fortis's focus on increasing its rate base growth and opportunistic acquisitions is likely to drive its dividends in the coming years. The company projects its dividends to grow at an average annual rate of 6% over the next five years and yields over 3.9% at the current price levels.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) has raised its annual dividends by a CAGR of 7% in the past 20 years. Meanwhile, it projects an 8-10% growth in its annual dividend in 2021 and 5-7% after that. Notably, TC Energy's robust dividend payments reflect the strength of its base business.

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The company's dividends are backed by high-quality earnings from its diversified assets that are either regulated or have long-term contractual arrangements. Meanwhile, its $37 billion capital growth program is likely to support its earnings growth and, in turn, its higher dividends in the coming years. TC Energy currently offers a high yield of 6%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has increased its dividends for 26 consecutive years. Meanwhile, it has paid dividends for 65 years. The company's diversified cash flows, secure growth projects, and strength in its core business support its higher payouts.

Currently, Enbridge pays an annual dividend of $3.34, reflecting a yield of 7.8%. Meanwhile, it projects its distributable cash flow per share to continue to increase at a decent pace, suggesting investors could expect higher dividend payments in the coming years.

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1. Bank Stocks
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4. Energy Stocks
5. Investing

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. NYSE:TRP (Tc Energy)
5. TSX:CU (Canadian Utilities Limited)
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