



3 Top Canadian Dividend Stocks You Can Buy Under \$50

Description

With interest rates at historic low levels, investing in high-yielding safe dividend stocks would be a good idea to earn stable passive income and stabilize your portfolio. So, if you're planning to invest in dividend stocks, here are the three Dividend Aristocrats that you should consider.

Enbridge

The energy delivery company **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has a long history of paying dividends. It has consistently paid dividends for the last 66 years while raising its dividends at an annualized rate of 10% for the past 26 years. Last month, the company had [increased](#) its quarterly dividends for 2021 by 3% to \$0.835 per share, representing a dividend yield of 7.6%.

Enbridge operates a highly-regulated business, with 98% of its adjusted EBITDA generated from long-term contractual agreements, which provides stability to its cash flows. Given its stable cash flows and investments in secure projects, the company's management has reaffirmed its long-term guidance of 5-7% annualized growth in its distributable cash flow (DCF) per share. So, we can expect the company to continue raising its dividends in the coming years.

Amid the energy sector's weakness, Enbridge had lost around 15% of its stock value last year. With the oil demand expected to improve this year amid the uptick in economic activities, I expect the company to deliver substantial numbers in 2021.

Canadian Utilities

A diversified global energy infrastructure company, **Canadian Utilities** ([TSX:CU](#)) has the longest record of raising dividends by any public company. It has raised its dividends for the past 48 consecutive years. The company currently pays quarterly dividends of \$0.435 per share, indicating a dividend yield of 5.5%.

Canadian Utilities runs a highly regulated utility business, with 95% of its earnings generated from

regulated assets, thus shielding its financials from price and volume fluctuations. Further, the company has planned to invest \$3.4 billion in regulated and long-term contracted projects from 2020 to 2022, which could expand its rate base and drive its earnings in the coming years.

Given its cash and cash equivalents of \$940 million and access to \$2.25 billion credit facilities, the company's liquidity position looks healthy. So, given its impressive track record, stable cash flows, and healthy liquidity position, [I believe Canadian Utilities would be an excellent buy for income-seeking investors.](#)

Algonquin Power & Utilities

The diversified utility company **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) serves around one million customers and also operates renewable power generating facilities. The company sells approximately 85% of the power generated from its assets through long-term contracts, with the weighted average life of its contracts currently standing at 13 years. So, the company's earnings and cash flows are mostly stable.

Driven by its strong underlying business and acquisitions, Algonquin Power & Utilities has delivered an impressive performance over the last few years. Its adjusted EPS has increased at an annualized rate of 13.5% in the previous five years. Meanwhile, the company has also planned to invest \$9.4 billion over the next five years to increase its rate base at an annualized rate of 11.2%. Driven by these investments, the company's adjusted EPS could grow in the range of 8-10% during this period.

Meanwhile, Algonquin Power & Utilities has rewarded its shareholders by raising its dividends at a compound annual growth rate (CAGR) of 10% for the last 10 years. The company currently pays quarterly dividends of \$0.201 per share, representing a dividend yield of 3.7%. Given its healthy growth prospects, we can expect the company to continue raising its dividends in the coming years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

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Date

2025/08/24

Date Created

2021/01/14

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