The 3 Best Canadian Dividend Stocks to Buy Right Now

Description

Investors looking for stability in a volatile market would be wise to look into dividend stocks. These stocks provide stable cash flow even when shares are down. When you look at the right company, there should be little worry about if these companies will slash dividends. So that's why it's a good idea to go straight to the top.

These three dividend stocks I'm about to discuss have a long history of solid payouts, haven't slashed dividends during the pandemic, and have a solid future outlook supported by cash flow. This is exactly what you want from a dividend stock. So let's dig into why **Fortis Inc.** (TSX:FTS)(NYSE:FTS), **BCE Inc.** (TSX:BCE)(NYSE:BCE) and **Royal Bank of Canada** (TSX:RY)(NYSE:RY) all belong on your dividend watch list.

BCE

Coming in at number three, BCE has an 11-year history of dividend growth. The telecommunications giant currently offers a 6.08% dividend yield that has grown at a five-year compound annual growth rate (CAGR) of 5.12% as of writing. The 11-year growth is actually quite impressive considering this was after the company was forced to freeze dividends during the Great Recession of 2008-2009. Yet it didn't stop them all together. In fact the company hasn't missed a payout since it went public in 1983.

The company isn't exactly cheap, but it still has so much room to grow. That's thanks to its fibre-to-the-home network that will result in likely more customers, faster networks, and a smooth path towards 5G. Given that there's very little competition in Canada, this company remains an industry leader that will be here for decades to come. Just a $10,000 investment would bring in $605 per year in dividends.

Royal Bank

The Big Six Banks are an obvious choice for dividend stocks, but perhaps not so obvious is Royal Bank. While the bank might not have the largest dividend, it does have the top sport as the largest bank by market capitalization at $150 billion. The bank has a growth streak of nine years, offering a

4.06% dividend yield that's grown at a five-year CAGR of 6.85% as of writing.

The bank went into the pandemic prepared for an economic downturn, and has started its comeback. It could be that we'll see another dividend raise in the near future. It continues to be the most valuable of the Big Six Banks, with worldwide expansion still underway and its wealth management providing a strong stream of revenue. A $10,000 investment in Royal Bank today would bring in $411 in annual dividends.

Fortis

Finally, for strength and stability you'll want to consider the top spot amongst dividend stocks. Fortis continues to reign supreme within the utilities sector, with the second-longest dividend growth streak in Canadian history at 47 years. That leaves it just three years shy of Dividend King status. It offers a 3.86% dividend yield as of writing, with a five-year CAGR of 7.38% as of writing.

The utility giant continues to expect to raise its dividend by 6% through to 2024, and that remains true even during the pandemic. Earnings remain stable, acquisitions continue to pop up, and the company seems pretty much unstoppable as a dividend leader. A $10,000 investment in Fortis today would give you $773 in annual dividends as of writing.

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Date

2025/08/23
Date Created
2021/01/30
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