



A Top Canadian Dividend Stock to Buy Now!

Description

The **TSX Index** has had a strong start to the year. It may have you wondering what top Canadian dividend stocks are still a good bargain in 2021? Well, there may be more than you think. However, you have to do a bit of digging to find them. In March or April of 2020, you could have bought pretty much any stock and it would likely be up today.

However, with stock markets nearing or reaching all-time highs, Canadian investors need to be shrewd. It is a stock pickers market. I still think a lot of income-producing stocks present great value. Bonds provide safety, but almost no yield. So passive income investors are flocking to equities for yield. I suspect this could drive the valuations of top Canadian dividend stocks higher throughout the year.

A top Canadian utility stock

One top dividend stock Canadians should look at is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). If you don't mind a little risk, you can lock in a massive 7.72% dividend with this stock today. This pick isn't for everybody. Lately, pipelines have become a taboo word. After Keystone XL was crushed by the U.S. Biden Administration, the stock has come under pressure.

Yet Enbridge is a great company. It has pipelines and distribution networks that are critical for our society to function. Its assets are largely contracted or regulated, and it has a very stable stream of cash flows. The chances of new pipelines being built is almost null, so Enbridge should continue to dominate its competitive position.

Also, it is adapting its position to look at opportunities in renewables, hydrogen, and cogeneration. If you want to lock in a great yield, with some upside from a recovery in oil, [this is a great stock to own](#).

A top TSX real estate stock

Granite REIT ([TSX:GRT-UN](#))(NYSE:GRP-UN) is a top Canadian stock to own if you love collecting e-

commerce packages from your doorstep. For every item that is sent, you need a warehouse or fulfillment centre to sort and package it. Granite owns and manages institutional quality logistics, e-commerce, and industrial properties across North America and Europe. While its largest tenant is **Magna International**, the remainder of its revenues come from the likes of **Amazon**, **Restoration Hardware** and **Wayfair**.

This REIT has a great management team who consistently find ways to accrete rental and cash flow growth. It is locking in incredibly low (sub 1%) interest rates on its leverage, so cash flow yield spreads should be very attractive over the next few years. While it pays a nice 4% dividend today, this stock has some great [upside from the overall growth in e-commerce](#).

A great Canadian technology stock

Sylogist (TSXV:SYZ) is a stock that is perhaps a little less known. It provides enterprise resource planning (ERP) and software-as-a-service solutions for public and non-profit organizations. This stock is not as exciting as some of the hot 2020 tech Initial Public Offerings (IPOs). However, for an income investor, it gets the job done. It pays a great 4.4% dividend, which is supported by very stable recurring subscription revenues.

Yet this company could be in the midst of a new revival in growth. It just got a new CEO who has ramped up his team and resources. This great Canadian dividend stock has \$43 million in cash and around \$85 million in total liquidity.

I suspect it is going to aggressively attempt to expand organically and through acquisition. Its markets are generally lower growth, but there are broad opportunities for consolidation today. If it can execute its strategy, not only will you get a nice dividend, but some exciting valuation expansion as well!

CATEGORY

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1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:SYZ (Sylogist Ltd.)

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Date

2025/08/24

Date Created

2021/01/31

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