



The 5 Best TSX Dividend Stocks to Buy Under \$100 for 2021

Description

If you are eyeing stable income from stocks, consider buying the shares of the companies that have consistently increased dividend payments over the past several years. I have chosen five such top TSX-listed dividend stocks that have paid and maintained their dividends for 25 years or more. Moreover, these companies have resilient cash flows, suggesting that investors could expect these companies to hike their dividend payments over the next 10 years.

Here are the five best stocks for a growing dividend income flow.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) has the longest dividend payout history among all the publicly listed Canadian companies. Incredibly, the bank has paid dividends for 192 years. Moreover, its dividend has increased at a CAGR (compound annual growth rate) of 6% since 2005.

The bank's high-quality earnings are driven by continued loans and deposits growth, which support its dividend payouts. I believe the economic expansion will drive Bank of Montreal's credit growth. Meanwhile, its strong deposits volume, efficiency and scale, and lower provisions are expected to support its earnings and, in turn, its dividends. BMO currently offers a yield of about 4.4%.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) has paid and maintained its dividends since 1833. Its dividends have grown at a CAGR of 6% for about 11 years. The bank's well-diversified business and strong earnings drove its dividend payouts.

I believe the recovery in the economy is likely to boost Scotiabank's financial performance in the coming years. Scotiabank's exposure to high-growth markets and a decline in the credit loss provisions are likely to drive its adjusted earnings and support higher dividend payments. Scotiabank currently offers a juicy yield of 5.2%.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) increased its dividends for 48 consecutive years and is likely to [raise it further](#) over the next decade, thanks to its high-quality earnings base. The utility giant's dividends are backed by regulated assets that continue to deliver predictable and growing cash flows.

Canadian Utilities continues to invest in either regulated or contracted assets, which is likely to boost its high-quality earnings base and drive higher dividend payments. Furthermore, its focus on cost productivity and cost-reduction measures are likely to drive its dividends in the coming years. The company currently offers a safe yield of 5.4%.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) increased its dividends for 47 years in a row and projects an average annual growth of 6% in its dividends over the next five years. The company's robust dividend payments and solid growth projection is backed by its rate-regulated assets.

Fortis expects its rate base to increase by about \$10 billion in the next five years, which could drive its earnings and support higher dividend payouts. Fortis's stable business, low-risk regulated assets, continued rate base growth, expansion into renewable power, and opportunistic acquisitions position it well to deliver stellar earnings and increase its [future dividends](#). Fortis offers an annual yield of 3.9%.

Enbridge

Pipeline giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has increased its dividends at a CAGR of 10% over the past 26 years. Moreover, it has paid dividends for more than 66 years. Enbridge's robust dividend payments are backed by its diversified cash flow streams and contractual arrangements.

Enbridge forecasts its distributable cash flow per share to increase at a mid-single-digit rate over the coming years, suggesting that investors could expect the company to raise its dividends at a similar rate. Enbridge is expected to benefit from the recovery in its mainline throughput volumes. Moreover, its strong capital growth program and cost savings are likely to drive its cash flows and, in turn, its dividends. Currently, it offers a yield of 7.6%.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:BNS (Bank Of Nova Scotia)
7. TSX:CU (Canadian Utilities Limited)
8. TSX:ENB (Enbridge Inc.)
9. TSX:FTS (Fortis Inc.)

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