



2 Top TSX Dividend Stocks You Want to Own in 2021

Description

If you are worried about a stock market bubble today, you may want to think about owning some top **TSX** dividend stocks in your portfolio. Dividend stocks should have a place in every investor's portfolio. While it is great to own stocks that reinvest their internal cash flows, it is also nice to receive a reliable dividend income stream. This is especially true when markets feel frothy or ready for a correction.

Earn a stable return in any market

[Dividends](#) are a great way to tangibly collect some sort of return, even if the rest of the stock market is declining. If a company has a good balance sheet, stable/essential/contracted revenues, and abundant free cash flows, the chances are good that it keeps paying a dividend through a crisis. Given this, here are two top TSX dividend stocks I am eyeing for 2021, regardless of the market we are in.

A top Canadian dividend stock: Telus

This year should be a great one for **Telus** ([TSX:T](#))([NYSE:TU](#)). While this top TSX stock has been celebrated for its stable dividends, it is much more than an income stock. Of course, it is well-known for its wireline and wireless businesses, which offer essential communication services across Canada. Even despite the pandemic, these core businesses have performed relatively well and have seen industry leading customer growth.

Yet, Telus has a knack for building great digital businesses. Just yesterday, Telus spun-off its **Telus International** subsidiary at the high-end of its Initial Public Offering (IPO) price range. Market demand was strong and [the stock shot up](#) 20% in one day. To me, it just demonstrates Telus' foresight and investment expertise. Rather than invest in decaying media businesses, it has chosen to invest excess cash flows into digital businesses of the future.

Another one of its subsidiaries is Telus Health, which is now Canada's largest digital health platform. It also has a burgeoning digital agriculture business. Combine all these elements, and this TSX dividend stock has ample opportunities to succeed. Today it pays a great 4.7% dividend, but I anticipate this

TSX stock will accrete strong growth as it continues to invests in our increasingly digital world.

An under-the-radar Canadian dividend stock: AltaGas

AltaGas ([TSX:ALA](#)) is another stock Canadian dividend investors should buy in 2021. The company has had a rocky past, but everything indicates that its future looks bright. Over the past few years the company has divested non-core assets, shored up its balance sheet, and focused on investments that create long-term, stable cash flows. Today, 57% of its revenues are derived from a natural gas utility business. The remainder comes from a thriving integrated midstream operation.

86% of its 2021 EBITDA will be derived from regulated or contracted assets, yet, it also has some nice growth upside. The company is experiencing very strong demand for its midstream products (LNG and propane) in Asia. Likewise, its utility has upside through rate base growth and new rate case filings. Consequently, it expects 12% EBITDA growth and 20% earnings per share growth this year.

This top TSX dividend stock already pays an attractive 5.1% dividend (which it just raised 4%). However, when you add in some of the growth levers, as well as a recovery in global energy markets, this stock could really do well this year.

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