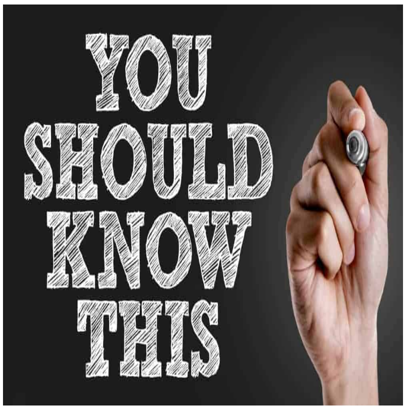

TSX Stocks: 3 Canadian Bigwigs That Increased Dividends for 2021

Description

Even if the markets are consistently rising, a tinge of economic uncertainty is still there. Amid these uncertainties, some Canadian companies have increased their dividend payouts for 2021. The increase certainly shows the management's confidence for the future earnings and strength to weather the potential downturn. So, here are three top **TSX** stocks that have announced a decent dividend increase for 2021. If you are an income-seeking investor sitting on some extra cash, consider these stocks for long-term investing.

Enbridge

The biggest energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) announced a dividend increase of 3% for 2021. It will pay $3.34 per share this year. It offers a juicy dividend yield of 7.5%, significantly higher than TSX stocks at large.

Enbridge managed to increase dividends for the last 26 consecutive years. Be it the 2008 financial crisis or the last year's pandemic, the company has raised shareholder payouts. The consistency indicates the earnings stability and its balance sheet strength.

Although Enbridge is an energy company, it has little exposure to unpredictable oil and gas prices. It operates energy infrastructure like pipelines on a long-term-fixed fee basis, which facilitates earnings visibility. The company will likely continue to pay such increasing dividends for the future driven by its low-risk business model and improving energy markets.

ENB stock is still trading 22% lower against its pre-pandemic levels. A relative discount and stable dividends make it an attractive bet for conservative investors.

BCE

Driven by solid quarterly earnings in the fourth quarter of 2020, **BCE** (TSX:BCE)(NYSE:BCE) increased shareholder payout for 2021. The telecom giant will pay $3.5 per share dividends for the current year, marking a 5.1% increase against 2020. The stock offers a dividend yield of 6.4%.

Telecom is one of the most stable businesses in the diversified economies. The telecom companies' earnings stability ensures dividend stability. Notably, BCE is the biggest company in the industry by subscriber base. It will likely see accelerated earnings growth for the next few years driven by higher capital investments in 5G and network expansion. Investors can expect steeper dividend growth in that case.

Growth investors might overlook BCE due to its slow-moving stock and average growth prospects. However, regular dividends and stable stock price movements play a big role in portfolio stability and capital protection.

Canadian Utilities

Canadian Utilities (TSX:CU) is the top utility stock that dons the largest dividend increase streak in Canada. It has announced a dividend of $0.44 per share for 2021, marking it the 49th consecutive year of a dividend increase.

Based on the 2021 dividend, CU stock offers a yield of 5.6%. Investors should pay attention to dividend yields instead of the absolute dividend amount as the former considers the stock price.

Investors perceive utility stocks like Canadian Utilities as safe-haven mostly because of their stable dividends. Irrespective of the broader economy, utility stocks earn stable cash flows and pay regular dividends.

Investors should note that these three TSX stocks might not make exorbitant returns that beat growth stocks too. However, a reasonable exposure to them will provide unmatchable stability during market downturns.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)
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