The 4 Best TSX Dividend Stocks to Buy in March

Description

Investors looking for stable income could consider buying shares of the top Canadian companies that have consistently paid and increased their dividends for a very long period. I have selected four such Dividend Aristocrats that have paid and increased their dividends for more than 20 years.

Furthermore, their strong business model and resilient cash flows suggest that these companies could continue to increase their future dividends at a decent pace and boost shareholders' returns.

Canadian Utilities

The utility company has consistently boosted its shareholders' returns through higher dividend payments. To be precise, **Canadian Utilities** (TSX:CU) hiked its dividends in the last 49 consecutive years, reflecting the strength of its cash flows and ability to generate high-quality earnings.

Canadian Utilities generates close to 95% of its earnings from the rate-regulated assets, which delivers predictable and growing cash flows. Further, its continued investment in rate base and contracted assets suggest that the company remains well positioned to report strong earnings in the coming, which could drive its future payouts. Also, productivity savings and cost-reduction measures are likely to cushion its bottom line and drive dividends. The utility giant offers a high annual yield of 5.8%, which is very safe.

Fortis

Like Canadian Utilities, **Fortis** (TSX:FTS)(NYSE:FTS) is also known for its robust dividend payment history. The company's rate-regulated utility assets generate strong cash flows that drive its higher dividend payments. Fortis has raised its dividends for 47 consecutive years and expects it to increase further by about 6% annually through 2025, which is encouraging.

The utility company earns almost all of its income from rate-regulated utility assets. Moreover, it expects its rate base to increase by $10 billion in the next five years, which lays a strong foundation for earnings and dividend growth. Currently, it offers a decent annual yield of 4%.

Enbridge

Enbridge's (TSX:ENB)(NYSE:ENB) resilient and diversified cash flow streams have helped the company to consistently pay and increase its dividends in more than two decades. The pipeline company has paid dividends for 66 years and increased it in the past 26 years.

Enbridge's secured capital program, recovery in demand, diversified cash flow streams, contractual arrangements, and cost reductions could drive its distributable cash flow per share and support higher dividend payments. Its dividends have grown at a CAGR of 10% in the last 26 years and are likely to increase mid to high-single-digit rate over the next decade. At current levels, Enbridge stock offers a very high yield of 7.6%.

TC Energy

Energy infrastructure giant **TC Energy** (TSX:TRP)(NYSE:TRP) has paid and raised its dividends for the last 21 years. Further, the company expects to hike its future dividends at an average annual rate of 5-7%. TC Energy owns a large and diversified portfolio of assets that are either regulated or contracted. The company's high-quality asset base generates resilient cash flows that drive its higher dividend payouts.

Its business remains relatively insulated to the economic cycles, which is encouraging. Moreover, rising energy demand and its $20 billion secured capital program augur well for future growth. TC Energy offers a stellar dividend yield of 6.5%, which is safe.

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
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