



4 of the Best Canadian Dividend Stocks to Buy Right Now!

Description

The recent market pullback in Canadian dividend stocks is a great opportunity for income investors. With bonds and savings accounts yielding hardly over 1%, there are no better alternatives than risk-on assets like stocks. Frankly, if bonds and interest rates are expected to rise (can they really go any lower?), I certainly don't want to own a bond at 1%.

Considering this, here are four of the best Canadian dividend stocks I can think of to buy right now. They should provide investors a nice combination of income and capital returns in 2021 and well beyond.

A top Canadian dividend stock: Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) continues to look like a really attractive dividend stock here. Despite energy challenges in 2020, Enbridge still reported resilient results. Adjusted earnings were down 8% for the year. However, adjusted EBITDA was on par with 2019, and distributable cash flows (DCF) were up 2%. These results were in line with pre-pandemic guidance.

The company has tweaked its strategy to now focus on share buybacks, incremental organic growth programs, and green energy initiatives. It still has a \$16 billion secured growth pipeline. From this, management targets at least 5-7% annual DCF growth until 2023. The stock trades with a 7.77% dividend, but there is also lots of [valuation upside](#) as the energy sector recovers out of the pandemic.

This stock will pay for itself: Brookfield Infrastructure

Another top dividend stock is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). When it comes to dividend-growth stocks, you don't get much better than this. Since 2009, this stock has grown its distribution by a CAGR of 10%! If you'd bought this stock 10 years ago, you would have more than tripled your investment in dividend returns alone (not to mention 380% capital gains as well).

This company manages and acquires very attractive assets. Perhaps they were not that way when

acquired; however, BIP has a magic touch unlocking value from assets. The company is growing by 6-9% organically. Add in acquisitions, and that number could increase by 1-5% a year. Given the stability and predictability of the assets it operates (pipelines, transmission lines, cell towers, and railroads), it has very limited risk with [ample reward](#). The stock yields just under 4% today.

This dividend stock wins from e-commerce

Dream Industrial REIT ([TSX:DIR.UN](#)) is a real estate business benefiting from the e-commerce revolution. If you want to own real estate, this business has the properties everyone wants today. Its assets are comprised of warehouses, distribution centres, and logistics facilities across Canada, the U.S., and Europe.

Management has been steadily reworking its balance sheet to where it now has one of the lowest debt-to-asset ratios in Canada. The company has made some very accretive acquisitions and it has solid economies of scale for strong expansion into Europe.

This dividend stock pays 5.4% today; however, that could increase on strong cash flow growth in 2021. If you are uncertain, ask yourself this: Did I buy more or less e-commerce goods this year over last year?

This green energy stock has major tailwinds supporting it

The last dividend stock Canadians should look at is **Northland Power** ([TSX:NPI](#)). It is quickly becoming one of the world's premier developers of offshore wind farms. As the world continues to demand more green power solutions, Northland should continue to see strong opportunities to expand.

Since 2014, Northland has grown its power capacity, adjusted EBITDA, and free cash flow per share by a CAGR of 10%, 21%, and 9%, respectively. The company has a current development pipeline targeting between four GW and five GW over the next decade (it currently produces around 2.3 GW).

The company pays a solid 2.84% dividend, but that should trend upward, as it steadily brings new projects online. You only have to think of our burgeoning green future to believe this stock is a great buy today.

CATEGORY

1. Dividend Stocks
2. Investing
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TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:ENB (Enbridge Inc.)
6. TSX:NPI (Northland Power Inc.)

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