5 Top TSX Dividend Aristocrats to Buy Now

Description

Investing in dividend-paying stocks is one of the smartest ways to generate regular passive income. Further, the lower interest rate environment makes dividend stocks an attractive investment option. Here we'll focus on the five best Dividend Aristocrats listed on the **TSX** that you can buy now to start a growing income stream.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) has paid and raised its dividends in the last 47 consecutive years. Meanwhile, it projects about 6% annual growth in its dividends through 2025. The utility company's rate-regulated assets generate high-quality earnings that drive its higher dividend payments. Moreover, it offers a yield of 4.0%.

The company expects its rate base to increase by $10 billion through 2025, providing a strong base for earnings growth, in turn, increased dividend payments. Fortis's low risk and diversified business, predictable cash flows, and consistent rate base growth should help the company boost its shareholders' returns over the next decade.

Scotiabank

Scotiabank (TSX:BNS)(NYSE:BNS) has continuously paid dividends since 1833. Further, it has raised the same in 43 of the past 45 years, reflecting its ability to consistently deliver high-quality earnings. Scotiabank's exposure to higher growth banking markets supports its top and bottom-line growth. Moreover, its growing scale and increasing market share in core markets present good growth opportunities.

With economic expansion and recovery in demand, Scotiabank's loans and deposit volumes are expected to increase. Moreover, lower credit provisions and expense management are likely to cushion its earnings. Scotiabank's dividends have grown at a compound annual growth rate (CAGR) of 6% over the past 11 years, and it offers a yield of 4.7%.

Enbridge

Enbridge's (TSX:ENB)(NYSE:ENB) has continuously increased its dividends at a CAGR of 10% in the last 26 years. Further, it paid dividends for 66 years, reflecting the strength of its cash flows. Enbridge's more than 40 diversified revenue streams and contractual arrangements help deliver strong distributable cash flows that support its dividend payments.

I believe its secured capital program, cost reductions, and recovery in demand are likely to drive mid to high-single-digit growth in its distributable cash flow per share in the coming years, which is likely to support higher future dividend payments. Enbridge offers a yield of 7.5%.

Canadian Utilities

Canadian Utilities (TSX:CU) has increased its dividends for 49 years in a row. Its regulated utility assets account for about 95% of its earnings and help the company deliver predictable and growing cash flows that drive its dividends.

Canadian Utilities continues to invest in rate-regulated and contracted assets that are likely to drive its high-quality earnings base and future dividend payments. Moreover, its cost-reduction and productivity savings could continue to cushion its bottom-line and drive its dividends. Canadian Utilities offer an annual yield of 5.9%, which is safe.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) increased its dividends for 21 years. Moreover, it has increased the same at a 7% during the same period. Furthermore, it projects 5-7% growth in its future dividends, thanks to its growing asset base and resilient cash flows.

TC Energy's regulated and contracted asset base and $20 billion secured capital program bodes well for future dividend payments. Currently, it offers an annual yield of 6.2%.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)

2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:TRP (Tc Energy)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:CU (Canadian Utilities Limited)
7. TSX:ENB (Enbridge Inc.)
8. TSX:FTS (Fortis Inc.)
9. TSX:TRP (TC Energy Corporation)

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