4 Top Canadian Stocks That Have Raised Their Dividends for 2021

Description

Amid the low-interest-rate environment, the yields on debt instruments have become unattractive. Meanwhile, investors can earn stable passive income by investing in high-yielding dividend stocks.

Amid the pandemic, many companies have slashed their dividends due to their weak financial positions. However, here are four companies that have raised their dividends for this year. Raising dividends depicts their financial strength, stable cash flows, and visibility over their future earnings.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) operates a diversified, highly-regulated business, with 98% of its adjusted EBITDA generated from regulated assets or take-or-pay contracts, which provides stability to its financials. Supported by its stable cash flows, the company has raised its dividends for 26 consecutive years at a compound annual growth rate (CAGR) of 0%. In December, the company's management had raised its 2021 dividends by 3% to $3.34 per share. Its forward dividend yield currently stands at 7.5%.

Enbridge is going ahead with $16 billion worth of secured growth projects, which could boost its cash flows in the coming years. Further, the company's management reaffirmed its DCF per share growth guidance of 5-7% for the next two years. Its financial position also looks stable, with its liquidity standing at $13 billion at the end of its fourth quarter. So, given its recession-proof business model, health growth prospects, and strong financial position, I believe Enbridge's dividends are safe.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) had raised its dividends for 21 consecutive years at a CAGR of 7%. In February, the company raised its dividends for the first quarter of 2021 by 7.4% to $0.87 per share, representing an annualized dividend payout of $3.48 and a forward dividend yield of 6.1%. Its rate-regulated assets and long-term contracts deliver stable cash flows, which supports its dividend growth.

Meanwhile, the company is advancing with its $20 billion secured capital growth projects, with around $8 billion of projects are already under development. Supported by the increased cash flows from these investments, the management expects to increase its dividends by 5-7% over the next few years. So, TC Energy could be a good bet for income-seeking investors.

BCE

BCE (TSX:BCE)(NYSE:BCE) has a long history of rewarding its shareholders with dividends. Meanwhile, it has raised its dividends above 5% for 13 consecutive years. Last month, it hiked its quarterly dividends by 5.1% to $0.875, with its dividend yield currently standing at 6.4%. Given its business' defensive nature, the company has been delivering stable cash flows for many years. In its recently announced fourth-quarter earnings, BCE's operating cash flows stood at $1.63 billion.

Meanwhile, the company plans to invest around $1-$1.2 billion over the next couple of years to expand its broadband fiber and wireless networks. Supported by these investments, the company hopes to add 900,000 new direct fiber and wireless home internet connections this year while doubling its 5G population coverage. So, the company's growth prospects look healthy.

Canadian Natural Resources

Last week, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) reported its fourth-quarter earnings, which outperformed analysts' expectations amid higher average realized oil and natural gas prices. It also raised its dividends for 2021 by 10.5% to $1.88, marking the 21st consecutive year of a dividend hike. Meanwhile, the company's forward dividend yield currently stands at a healthy 4.9%.

For 2021, the company's management expects to make a capital investment of $3.2 billion, which could increase its production by approximately 61,000 BOE/d. Higher oil prices and increased production could drive the company's financials in the coming quarters.

Meanwhile, the company's management expects to deliver free cash flows of $4.9 billion to $5.4 billion in 2021, with WTI crude trading around US$57 per barrel. With oil prices expected to remain at elevated levels for some time, I believe Canadian Natural Resources is an excellent buy right now.

CATEGORY

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2. Investing

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2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:TRP (Tc Energy)
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6. TSX:CNQ (Canadian Natural Resources Limited)
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