



## 3 Top Canadian Stocks for Dividend Investors to Buy Today

### Description

Dividend stocks are some of the best and most important stocks in a long-term investor's portfolio. When you can find Canadian stocks that offer capital gains potential and return cash to shareholders simultaneously, it gives investors more flexibility and allows you to find new investments to compound your money even faster.

The sight of passive income rolling into your bank account is one of the best feelings there is. Dividend stocks are important for a lot more reasons than just that, though. They can provide income and consistent returns even if the market is underperforming

Plus, they are usually from some of the best, most resilient stocks, which means they are lower volatility.

So although higher yield dividend stocks can look more attractive, it's more important to find high-quality companies that can grow their payouts instead.

With that in mind, here are three top Canadian dividend stocks to buy today.

### A top Canadian royalty stock

One of the best Canadian dividend stocks you can buy is **Pizza Pizza Royalty Corp** ([TSX:PZA](#)). Pizza Pizza is an ideal stock for income investors, although it does offer some capital gains potential too.

The stock receives a royalty on the sales from each of its more than 700 restaurants across Canada. This helps to keep income highly stable and makes Pizza Pizza an ideal stock for dividend investors.

Because these sales are generally stable, the stock tends to be low volatility, and investors can expect the bulk of the returns in [Pizza Pizza](#) to come from its dividend.

However, today the stock still offers recovery potential from the coronavirus pandemic. Pizza Pizza had to trim its dividend at the start of the pandemic to conserve cash.

Eventually, though, that dividend will be increased again, which should provide significant upside potential for investors of this top Canadian dividend stock.

## Top telecom dividend stock

**Telus Corp** ([TSX:T](#))([NYSE:TU](#)) is another high-quality Canadian stock perfect for dividend investors. The telecom industry is well known to be a great long-term and defensive industry.

Even before the pandemic having access to telecommunication services like the internet was essential. However, the pandemic has highlighted just how important these communication services are.

That's why the telecommunications industry is so ideal for long-term investors. Consumers need the services, and the industry isn't going anywhere. In fact, it's an industry that offers a tonne of growth potential with the introduction of [5G technology](#).

Today Telus' stock trades at a more than 10% discount to its target price. Plus, the Dividend Aristocrat's current payout to investors yields 4.8%, making Telus a great long-term stock for Canadian investors to buy today.

## High-potential energy stock

Finally, **Freehold Royalties Ltd** ([TSX:FRU](#)) is another royalty stock that's perfect for income seekers. However, because it's an energy stock, it also offers investors considerable growth potential while the whole sector recovers.

Already in 2020, Freehold has gained over 45%, yet the stock is still well off its average price target of just under \$10.

Freehold is a great pick because it gives Canadian investors exposure to the energy industry. However, it's a much lower risk stock than a typical energy producer.

Freehold collects royalties from hundreds of different energy producers operating on its lands. So while the stock isn't immune to issues that impact the whole sector, it's still a lower risk way to invest in energy.

Plus, it's one of the top dividend stocks you can buy. Already Freehold has increased its dividend twice since October. Yet, the payout is still just 57% of what it was before the pandemic.

This gives Freehold a tonne of upside potential as energy continues to rebound, which is why it's such a top stock to buy today.

### CATEGORY

1. Dividend Stocks

2. Investing

## **TICKERS GLOBAL**

1. NYSE:TU (TELUS)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:T (TELUS)

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