



## 4 Top Under-\$30 Dividend Stocks to Buy Right Now

### Description

Your portfolio is incomplete without few dividend stocks. Along with paying frequent payouts, dividend stocks provide stability to your portfolio. These stocks are less volatile compared to non-dividend-paying stocks. Further, investors would also benefit from rising stock prices. So, given the advantages, here are four dividend stocks that you can buy below \$30.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is involved in the low-risk energy utility business and operates renewable power-producing facilities. Meanwhile, the company sells a significant percentage of its power through long-term agreements, providing stability to its earnings and cash flows. These stable cash flows have allowed the company to increase its dividends by above 10% for 10 consecutive years. Currently, the company pays quarterly dividends of \$0.1959 per share, with its forward dividend yields standing at 3.8%.

Meanwhile, the company has planned to invest around \$9.4 billion over the next five years, expanding its rate base and growing its renewable assets. Supported by these investments, the company expects its adjusted EPS to grow at a CAGR of 8-10% over the next five years. So, given its healthy growth prospects and stable cash flows, I believe [Algonquin Power & Utilities would be an excellent defensive bet.](#)

### TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) operates or has an economic interest in 44 power-generating facilities, producing 2,537 megawatts of power. Meanwhile, it sells most of its power through long-term PPA (power-purchase agreements), which shields its financials from price and volume risks. The weighted average life of its contracts stands at around 12 years.

Meanwhile, the company is looking at expanding its operations in Canada, Australia, and the United States and is currently evaluating projects that can increase its [power-generating capacity by 2.9 gigawatts](#)

. Along with its growth prospects, the sectoral tailwind amid a shift towards renewable sources could boost its financials in the coming years. So, given its consistent cash flows and healthy growth prospects, I believe TransAlta Renewables's dividends are safe. It pays monthly dividends of \$0.07833, with its forward dividend yield standing at 4.5%.

## Telus

My third pick would be **Telus** ([TSX:T](#))([NYSE:TU](#)), one of three top telecommunication service providers in Canada. In today's digitally connected world, telecommunication service has become an essential service. So, the demand for the company's services would sustain, even during an economic downturn. Despite the pandemic, the company has added 253,000 new customers in its recently announced fourth quarter while generating a free cash flow of \$1.435 billion.

Further, Telus's management has set a promising 2021 guidance, with its revenue and adjusted EBITDA expected to grow at 10% and 8%, respectively. The management is also hopeful of generating free cash flows of \$1.5 billion. So, given its robust cash flows, the company's dividends are safe. Currently, Telus pays quarterly dividends of \$0.3019 per share, with its dividend yield standing at 4.9%.

## Keyera

The bounce back in oil prices has driven **Keyera's** ([TSX:KEY](#)) stock price higher. Despite the rise, the company is still trading over 20% lower from its January 2020 levels, providing an excellent buying opportunity. The improvement in economic activities amid the ongoing vaccination drive and economic expansion could increase oil demand, thus driving its asset utilization rate.

Further, Keyera has also planned to make a capital investment of around \$400-\$450 million this year, supporting its growth initiatives. So, the company's growth prospects look healthy. The company has rewarded its shareholders by raising its dividend at a CAGR of 7% since 2008. It currently pays monthly dividends of \$0.16 per share, with its forward yield standing at an attractive 7.3%.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:KEY (Keyera Corp.)
5. TSX:RNW (TransAlta Renewables)
6. TSX:T (TELUS)

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### Date

2025/08/27

### Date Created

2021/04/07

### Author

manjapla

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