The 3 Biggest TSX Dividend Stocks to Buy in April 2021

Description

Investors generally focus more on absolute dividend amounts rather than the yield. Dividend yield indicates how much payout a shareholder would receive relative to its stock price. Here are three top TSX dividend stocks with superior and reliable yields.

Enbridge

Top midstream energy stock **Enbridge** (TSX:ENB)(NYSE:ENB) has notably underperformed broader markets in the last 12 months. Since last year, the **TSX Composite Index** is up almost 40%, while ENB stock has soared just 10%.

Enbridge could have underperformed in the short term, but it has substantially beat broader markets in the long term. And that's mainly because of its consistently growing dividends. Enbridge yields 8% at the moment — way higher than TSX stocks at large.

It has increased shareholder payouts for the last 26 consecutive years. Interestingly, it intends to increase those by a decent 6% for the next few years. Enbridge will likely continue increasing its dividends, driven by its low-risk operations and earnings visibility.

Oil and gas pipeline companies like Enbridge are relatively less risky than upstream oil companies. They have lower direct exposure to oil prices and generate stable cash flows from fixed-fee contracts.

If you are looking for a stable long-term investment with a handsome dividend payment, Enbridge should be on top of your watch list.

Fortis

Top utility stock **Fortis** (TSX:FTS)(NYSE:FTS) is one of the safest investments on the TSX. It yields 3.7% at the moment, which is in line with TSX stocks on average. Though its yield is relatively lower than peer utility stocks, Fortis offers unmatched dividend stability.

It earns a large portion of its revenues from regulated operations, facilitating earnings and dividend stability. Its dividend increase streak of 47 consecutive years certainly stands tall among peers.

Utility stocks like Fortis generally outpace broader markets in high-volatility periods. They are generally known as “widow-and-orphan stocks” due to their slow stock movements and stable dividends.

FTS stock has returned almost 150% in the last decade, notably beating the TSX Composite Index.

BCE

The Canadian telecom industry is undergoing a significant transformation. Not just 5G, but the industry structure will change substantially in the next few years. The recently announced combination of **Rogers Communications** and **Shaw Communications**, if approved, will leave the industry with fewer players.

This will bode well for existing players, resulting in a higher market share ahead of the 5G revolution. **BCE** (TSX:BCE)(NYSE:BCE) is well placed to benefit amid this transformation, considering its large diversified operations. It has been investing heavily in improving its network infrastructure, which should pay off in the next few years.

Another advantage BCE offers is its earnings and dividend stability. BCE stock currently yields 6%, almost double the TSX stocks at large. It has consistently increased its dividends for years and will likely continue to do so driven by its low-risk operations. A decent capital gain prospect and juicy a dividend yield make BCE stock an attractive proposition for long-term investors.

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