3 Top Canadian Dividend Stocks to Hold Forever

Description

Dividend-paying stocks can help you earn a regular passive income. However, not all dividend-paying stocks are worth investing in, and only a few have the potential to increase their future dividends and boost shareholders' returns consistently. So, if you are eyeing a growing passive income stream, consider adding these Canadian Dividend Aristocrats to your portfolio.

TC Energy

With its high-quality asset base, **TC Energy** (TSX:TRP)(NYSE:TRP) is among the top income stocks listed on the TSX. Notably, the company has generated an average annual total shareholder return of 12% since 2000, reflecting its regulated and contracted assets that remain immune to the economic cycles. Thanks to its low-risk and high-quality asset base, TC Energy has increased its dividends at a compound annual growth rate (CAGR) of 7% since 2000 and is currently yielding over 5.8%.

The company expects its future dividends to increase by 5-7% annually, reflecting the continued momentum in its base business. Meanwhile, its $20 billion secured capital program, robust development portfolio, and in-corridor expansion are likely to drive its net income and cash flows, in turn, its future dividend payments. TC Energy's diversified and high-quality assets, growing dividends, solid financial position make it a top stock to own at the current price levels.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a must-have stock in any income portfolio. The company's long dividend payment history, sustainable payouts, and high yield make it a top investment for investors looking for solid passive income. To be precise, Enbridge has uninterruptedly paid dividends for over 66 years. Further, it increased dividends by a CAGR of 10% since 1995, which is the highest among the peers.

I remain upbeat on Enbridge and expect the company to continue to enhance its shareholders' returns through increased dividend payments. Enbridge's diverse cash flow streams, $16 billion secured capital program, strength in its core business, and assets across conventional and renewable energy sources suggest that the company could continue to hike its future dividends at a decent pace.

Meanwhile, the recovery in its mainline volumes and favourable long-term global energy demand provide a strong underpinning for growth. Enbridge stock has recovered some of its losses on increased economic activities and offers a stellar yield of 7.2%.

Fortis

Like Enbridge, **Fortis** (TSX:FTS)(NYSE:FTS) is another must-have income stock for your passive income portfolio. The company operates a low-risk utility business that generates predictable cash flows and supports higher dividend payments. Notably, Fortis generates 99% of its earnings from the regulated utility business and has increased its dividends for 47 years in a row. Currently, it is offering a decent yield of 3.6%.

I believe Fortis's growing rate base could continue to support its earnings and cash flows and drive future dividends. Fortis expects its rate base to increase to $40.3 billion in the next five years. Meanwhile, its dividends are projected to increase by 6% annually during the same period.

With its high-quality and diversified portfolio of regulated utility assets, opportunistic acquisitions, and continued investments in infrastructure and renewable energy, Fortis remains well-positioned to hike its annual dividends consistently.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

Date
2025/08/20
Date Created
2021/04/21
Author
snahata