



3 of the Best Dividend Stocks Canada Has to Offer

Description

Dividend stocks are the best way to invest in the **TSX** at today's levels. Whether a stock is overvalued or undervalued, a growth stock or value stock, dividends are what's guaranteed. No matter what's happening in the market, stable companies will produce dividends no matter what's going on with share prices. So, let's look at some of the best dividend stocks Canada has to offer.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) currently has a dividend yield of 7.22% as of writing. That yield has grown at a compound annual growth rate (CAGR) of 14.32% over the last decade! Management believes that over the next few years, investors will continue to see growth in dividends of between 7% to 9%.

The reason this stock is one of the best dividend stocks Canada has to offer today, is because of its revenue stream. While the oil and gas sector might be a bit volatile, pipelines aren't. Enbridge stock has decades of long-term contracts set aside to keep cash flowing in through its pipeline network. So, the company can definitely support dividend growth.

But there could be even higher dividend growth thanks to its growth projects. Not only will Enbridge stock produce stable revenue but should see an increase as its growth projects come online. This, in turn, should also bring shares up even higher. As of writing, shares are up at a 8.82% CAGR for the last decade. Yet the stock is still undervalued at 1.7 times book value, so lock in this yield before it's gone!

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) has a 3.75% dividend yield as of writing. That yield has grown at a CAGR of 9.81% over the last decade. And yes, management believes that dividend growth is sustainable for the foreseeable future. But if you look at the company's payouts, the bank hasn't missed a payment in all its dividend history!

Now, the reason TD stock is one of the best dividend stocks Canada compared to other banks is due to its growth strategy. The company has been [growing rapidly](#) throughout the United States, increasing its online presence in the process. Yet again, the company is supported by its loans, wealth and commercial management, and other services offered by the Big Six banks as well.

But it's this growth into the U.S., credit cards, and offering a wide range of services that has investors convinced of TD stock's future. As the company expands, it should continue seeing both dividend and share growth. As of writing, shares are up at a 11.56% CAGR over the last decade. Yet again the stock is undervalued at 1.7 times book value. That yield won't be this high for long.

TELUS

Fitting the theme of strong dividend companies, **TELUS** ([TSX:T](#))([NYSE:TU](#)) fits the bill perfectly. The telecommunications company offers a 4.83% dividend yield as of writing. That yield has grown at a decade-long CAGR of 9%. With the company ahead of its peers with its 5G rollout, TELUS is likely to support that dividend growth far into the future.

The company has secure revenue from its wireline and wireless segments. TELUS was able to invest in its wireline rollout before the pandemic, so is now raking in the cash while others play catchup. It should be a while before others catch up. This is why, for the next decade, at least, TELUS should be the lead revenue maker in the 5G industry.

But again, we have even more expansion from this company. TELUS recently created its **TELUS International** company, which focuses on the tech side to design, build, and deliver digital solutions around the world. Over the next decade, there should be massive investment in this sector. Shares are up at a 12% CAGR for the last decade. But again, the company remains undervalued at 2.8 times book value. It's the company's immediate future and [high yield](#) that makes it one of the best dividend stocks Canada has to offer today.

CATEGORY

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POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)

4. TSX:ENB (Enbridge Inc.)
5. TSX:T (TELUS)
6. TSX:TD (The Toronto-Dominion Bank)

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Author

alegatewolfe

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