Best Canadian Dividend Stocks to Buy in May 2021

### Description

Even if you are an aggressive investor, it makes sense to have some exposure to stable dividend stocks. They offer reliable passive income while providing portfolio stability during market weaknesses. Notably, investors can consider rebalancing their exposure to some of the best Canadian dividend stocks, as markets linger around all-time highs. Here are three of them that offer juicy yield and reliable dividends for the long term.



## Fortis

**Fortis** (TSX:FTS)(TSX:FTS) is one of the biggest utilities in North America. It serves electricity and gas to almost 3.4 million customers in Canada, the U.S., and the Caribbean.

FTS yields 3.7% at the moment, close to TSX stocks at large. Though its yield is not significantly superior, it has increased dividends for the last 47 consecutive years. Its large, regulated operations provide earnings visibility, which enables such consistently growing dividends. Notably, Fortis will likely continue to pay stable, growing shareholder payouts for years, mainly driven by its low-risk operations.

Utility companies generally distribute a big portion of their profits among shareholders in the form of dividends, which is called the payout ratio. Fortis's payout ratio last year was 60%, higher than broader markets' average.

Investors term utility stocks as "widow-and-orphan" stocks because of their stable dividends and slow stock movements. However, they outperform broad market indexes in the long term. Fortis has returned 150% in the last decade, against TSX stocks' average return of 45% in the same period.

## Enbridge

Top energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the biggest and top-yielding stocks in Canada. It is currently trading at a dividend yield of 7.2%, notably higher than peers. It has increased dividends for the last 26 consecutive years. Notably, it managed to grow dividends by a handsome 10% compounded annually in all these years.

A large portion of Enbridge's earnings come from fixed-fee, long-term contracts, which makes its dividends more reliable. It also means that they are relatively less vulnerable to volatile oil and gas prices. Its unique set of pipeline, scale, and operational efficiencies enable earnings and dividend stability.

Enbridge transports 25% of the oil and 20% of the total natural gas needs of North America. Its large pipeline network is non-replicable and acts as a high barrier for new entrants.

# BCE

After utilities and midstream energy space, my third dividend pick is from the telecom sector. The biggest Canadian telecom giant **BCE** (TSX:BCE)(NYSE:BCE) yields 6% at the moment, the highest among peers.

In Q1 2021, BCE reported earnings of $674 million, a drop of 6% year over year. The pandemic and ensuing closures dented the company's performance in the last few quarters. However, it has continued to pay consistently growing dividends, as it has been doing for decades. This indicates the company's balance sheet strength and confidence about future earnings recovery.

BCE could be an interesting play ahead of the 5G revolution. A large subscriber base and balance sheet strength will likely help BCE go full throttle in the 5G race.



**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance
5. Stocks for Beginners

**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

**PARTNER-FEEDS**

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

7. Yahoo CA

**Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance
5. Stocks for Beginners

**Date**
2025/07/01
**Date Created**
2021/05/10
**Author**
vinitkularni20