



3 TSX Dividend Stocks Under \$20 to Buy Now

Description

Some of the most important **TSX** stocks we buy for the long term are high-quality dividend stocks. Several stocks on the TSX pay an attractive dividend and are worth a buy now.

[Dividend stocks](#) are so important and can play such a big role in your portfolio because, in addition to all the capital gains potential that regular stocks offer, they also return cash to shareholders.

So, when you can find high-quality dividend stocks to add to your portfolio that continuously return cash to shareholders, they can contribute mightily to the rapid compounding of your capital. Plus, most of these stocks are usually highly resilient.

So, without further ado, here are three of the top TSX dividend stocks I'd be looking to add to buy now.

A top renewable energy stock

One of the top dividend stocks to buy now in this highly volatile market is **Algonquin Power and Utilities** ([TSX:AQN](#))(NYSE:AQN). Algonquin is a utility company that has a rapidly growing green energy portfolio.

These TSX dividend stocks have been selling off recently. You could make the argument they were slightly overvalued due to all the hype around green energy. However, they offer so much growth potential that it's hard to overpay if you're buying for the long term.

Nevertheless, Algonquin is extremely undervalued at this point, because it's a high-quality utility stock that just happens to have a significant [renewable energy](#) portfolio. Two-thirds of its business, though, comes from its utilities segment.

And today, having a high-quality, defensive business like Algonquin that also offers great long-term growth potential is an ideal way to play these uncertain markets.

Highly stable operations underpin its dividend so that it will be extremely safe. Plus, with the recent

selloff, it yields 4.5% today. So, if you're looking for a high-quality TSX dividend stock to buy and hold for years, Algonquin is a highly safe choice.

A top Canadian REIT

Another high-quality stock that offers investors a safe dividend with an attractive yield is **CT Real Estate Investment Trust** ([TSX:CRT.UN](#)).

Retail real estate has been impacted badly by the pandemic. However, some funds, such as CT REIT, have fared better than others.

This just goes to show that no matter how nice your assets are or where they are located, it's crucial to have high-quality tenants.

Of course, nobody saw the pandemic coming. However, the companies that are most stable and weathering the storm are the ones that are staying in business and able to pay their rents for the most part.

That why CRT had been one of the top-performing TSX dividend stocks in retail real estate. Its parent company, **Canadian Tire**, occupies more than 90% of its portfolio.

So, it's a highly safe investment so long as Canadian Tire can continue to remain in business. And given it's one of Canada's oldest and most well-known brands, that's a safe bet.

The REIT pays an attractive dividend yield just shy of 5%. So, if you're looking for an attractive yield on a highly safe investment, CT REIT is one of the top stocks on the TSX to buy now.

A top TSX energy stock to buy now

Lastly is a stock I've been bullish on for a while that just had another impressive quarter and raised its dividend again.

Freehold Royalties ([TSX:FRU](#)) is one of my favourite TSX dividend stocks in the energy industry and has already rallied an impressive 70% year to date.

Freehold is an ideal stock in the rapidly recovering energy industry, because it's a royalty company with much less risk. An investment in Freehold is more of an investment in the oil industry's strength rather than a bet on a single company.

So, because you don't have to worry about single stock risk, you only have to worry about if oil prices can stay strong and producers can continue to increase their production of energy.

That's why with the energy industry rapidly recovering, Freehold has been one of the main beneficiaries. Not only is it up over 70% to start the year, but its dividend has been increased three times since last November and now yields roughly 5.4%.

So, if you're looking for a top TSX dividend stock, Freehold is one of the best to buy right now.

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CRT.UN (CT Real Estate Investment Trust)
4. TSX:FRU (Freehold Royalties Ltd.)

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Date

2025/08/16

Date Created

2021/05/13

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