



4 Top Canadian Dividend Stocks to Buy Under \$30

Description

Amid the concerns over rising inflation and the deepening COVID-19 crisis in Asia, the Canadian equity markets have been volatile in the last few days. Meanwhile, I expect the volatility to continue in the near term. So, you can strengthen your portfolio by adding the following four dividend stocks, which are trading below \$30, to your portfolio.

Algonquin Power & Utilities

Through its low-risk utility business and highly contracted renewable power assets, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has been delivering an impressive performance over the last few years. Its steady cash flows have allowed the company to [raise its dividends by over 10%](#) for 11 consecutive years. Its forward dividend yield currently stands at 4.5%.

Meanwhile, the company plans to invest around \$9.4 billion over the next five years to expand its utility business and grow its renewable assets. These investments could bolster its earnings and cash flows, allowing the company to maintain its dividend growth. The company's financial position also looks healthy, with its liquidity standing at \$1.5 billion at the end of the first quarter.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)), which owns and operates a diversified portfolio of power-generating assets, has raised its dividends at a CAGR of 3% since going public in 2013. Its long-term agreements and acquisitions have delivered strong financials, allowing the company to increase its dividends. Currently, the company pays monthly dividends, with its forward yield standing at 4.9%.

Meanwhile, with its highly contracted business model, acquisitions, and project pipeline, the company is well positioned to drive its financials in the coming quarters. Recently, the company acquired **TransAlta Corporation's** assets, which increased its power production by 303 megawatts. Further, it has several projects in the pipeline, which can add 2.9 gigawatts of power-generating capacity. So, I believe [TransAlta Renewables would be an excellent buy for income-seeking investors](#).

Telus

Telus ([TSX:T](#))([NYSE:TU](#)), the second-largest telecommunication player in Canada, is my third pick. In its recently announced first-quarter results, the company added 145,000 new connections. Further, its revenue and adjusted EBITDA grew by 8.9% and 1.9%, respectively. Meanwhile, its high-growth verticals, such as TELUS International, TELUS Health, and TELUS Agriculture, witnessed robust growth during the quarter. Further, the company generated a free cash flow of \$750 million, strengthening its financial position.

Meanwhile, Telus has allocated \$3.5 billion to expand its 5G coverage and enhance its fibre and broadband network. Along with these growth initiatives, the improvement in economic activities could drive the company's financials in the coming quarters. So, I believe the company's dividends are safe. It currently pays a quarterly dividend of \$0.3162 per share, representing a forward dividend yield of 4.74%.

NorthWest Healthcare

NorthWest Healthcare ([TSX:NWH.UN](#)) acquires and manages healthcare properties across seven countries. Along with its highly defensive and diversified asset portfolio, the company's government-backed tenants, long-term agreements, and inflation-indexed rents provide stability to its financials. These steady cash flows allow the company to pay monthly dividends, with its forward dividend yield standing at 6.1%.

Further, the company has planned to expand its footprint into key markets, such as the United States and Western Europe, which could drive its financials in the coming years. Further, the company is also looking at strengthening its cash position by disposing of its joint venture in the United Kingdom. Given its steady cash flows, high growth prospects, and healthy liquidity of \$239 million, I believe NorthWest Healthcare's dividends are safe.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)

4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:RNW (TransAlta Renewables)
6. TSX:T (TELUS)

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