



4 Canadian Dividend Stocks to Buy and Hold Forever

Description

It is tough to time the market. Instead, investors can reap better returns by identifying stocks with solid underlying businesses and investing in those stocks for long periods to harness the power of compounding. This strategy will also shield your investment from short-term fluctuations. So, here are four Canadian dividend stocks that you can buy and hold forever, given their recession-proof business models, stable financial positions, and healthy dividend yields.

Fortis

First on my list is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), which has delivered an average annualized total return of above 13% in the last 20 years, thanks to its diversified, low-risk utility businesses. It currently operates 10 regulated utility assets serving around 3.4 million customers and generating stable earnings and cash flows. Supported by its healthy cash flows, the company has [raised its dividends for 47 consecutive years](#), with its forward dividend yield currently standing at 3.7%.

Meanwhile, Fortis's management has planned to spend around \$19.6 billion from 2021 to 2025, increasing its rate base at an annual growth rate of 6%. The expansion in rate base and favourable rate revisions could increase its earnings in the coming years, allowing the company to maintain its dividend hikes. Its financial position also looks healthy given its \$4 billion unrealized credit facilities and \$317 million cash and cash equivalents. So, I believe [Fortis is an excellent long-term bet for income-seeking investors](#).

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) has a long history of paying dividends. It has been paying dividends continuously since 1833. Over the last 45 years, the company has raised its dividends 43 times. Currently, the company pays quarterly dividends of \$0.90 per share, representing a healthy forward dividend yield of 4.55%.

Meanwhile, the company's financials could improve, given the recovery in demand, economic

expansion, digital adoption, and improvement in operational efficiencies. Besides, Scotiabank has significant exposure to commodity-driven markets, which could witness substantial growth in the coming years. Further, the company's non-interest income is rising, which is encouraging. So, given its strong track record, steady cash flows, and improving economic activities, I am bullish on Scotiabank.

Enbridge

Like Fortis and Scotiabank, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has an excellent track record of rewarding its shareholders with dividends and dividend hikes. It has paid dividends uninterrupted for the last 66 years while raising the same for the 26 straight years at a CAGR of 10%. The company's management has announced dividends of \$3.34 per share for this year, representing a forward dividend yield of 7.2%.

Enbridge operates 40 diverse assets while generating around 98% of its adjusted EBITDA from regulated assets or long-term contracts, delivering stability to its earnings and cash flows. Further, the recovery in energy demand could boost its asset utilization rate. Along with these factors, its investment of \$17 billion in secured growth projects over the next two years could drive its financials. So, Enbridge is well positioned to continue its dividend hikes in the coming years.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is the second-largest telecommunication player in Canada. Continuing its multi-year dividend growth, the company had increased its quarterly dividends by 8.6% to \$0.3162 per share earlier this month. Its forward dividend yield currently stands at a healthy 4.72%. Given its healthy growth prospects, steady cash flows, and strong liquidity position, I believe the company is well equipped to boost its dividends in the coming years.

Amid the digitization and rise in remote working and learnings, the demand for Telus's services could rise. Meanwhile, the company has planned to invest \$3.5 billion this year to expand its 5G and broadband coverage. Further, the expansion of its high-growth verticals, such as TELUS International, TELUS Health, and TELUS Agriculture, could also boost its financials in the coming quarters.

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1. Bank Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:TU (TELUS)

5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. TSX:T (TELUS)

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