



## 4 Top Canadian Dividend Stocks to Buy Right Now

### Description

Over the last few weeks, the Canadian equity markets have been volatile. Given the concerns over rising inflation and higher valuation, I expect the volatility to continue. Amid this volatile environment, here are four Canadian stocks you can buy right now to earn stable passive income.

### Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) has been paying dividends for the last 22 years while also raising the same at a compound annual growth rate (CAGR) of 4.9% over the previous 10 years. The company earns over 90% of its adjusted EBITDA from regulated assets and fee-based or take-or-pay contracts, delivering steady cash flows and allowing the company to raise its dividends consistently. It currently pays monthly dividends of \$0.21 per share, with its forward dividend yield standing at 6.5%.

Meanwhile, the company's payout ratio is on the lower side and is sustainable. Further, the rising oil demand and higher oil prices could drive Pembina Pipeline's financials in the coming quarters. The company's management expects its 2021 adjusted EBITDA to land in the range of \$3.2-\$3.4 billion. Given its stable cash flows, improving financials, and high dividend yield, [Pembina Pipeline could be an excellent buy for income-seeking investors](#).

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) operates a highly regulated midstream energy business, generating around 95% of its adjusted EBITDA from regulated assets or long-term contracts, thus delivering stable and predictable cash flows. Supported by these stable cash flows, the company has consistently raised its dividends for 21 previous years at a CAGR of 7%. The company currently pays quarterly dividends of \$0.87 per share, representing a forward dividend yield of 5.75%.

Meanwhile, TC Energy is [going ahead with its \\$20 billion secured capital program](#) and expects to put into service around \$4.2 billion worth of projects this year. Along with these investments, the recovery in the energy sector could drive the company's financials in the coming quarter. Supported by these

growth prospects, the company's management expects to increase its dividend by 5-7% in the coming years.

## BCE

The demand for telecommunication services has been rising amid increased digitization and more people opting to work and learn remotely. I have selected **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), which has a long history of paying dividends, as my third pick. Despite the pandemic, the company continued to add new connections and generated free cash flows of \$940 million in its recently announced first-quarter results. Further, its financial position also looks healthy, with its liquidity standing at \$6.5 billion at the end of the quarter.

Besides, BCE has invested around \$1 billion in the first quarter to expand its 5G coverage and fiber and WHI network. Along with these investments, the improvement in economic activities could drive the company's financials in the coming quarters. I therefore believe BCE's dividends are safe. It currently pays quarterly dividends of \$0.875 per share, representing a forward dividend yield of 5.9%.

## Canadian Natural Resources

My final pick would be **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), which has raised its dividends for 21 consecutive years. Its forward dividend yield currently stands at a healthy 4.7%. Meanwhile, the company had reported an impressive first-quarter performance earlier this month, with its adjusted net earnings coming at \$1.22 billion compared to a net loss of \$295 million in the previous year's quarter. Further, the company also generated a free cash flows of \$1.4 billion.

Amid the recovery in the energy sector, the company's realization price could increase in the coming quarters. Further, company management expects its production to increase by 5% this year. Higher realization price and increased production could boost the company's earnings and cash flows. The company projects its 2021 free cash flows to be in the range of \$5.7-\$6.2 billion, with an average realization price of \$60 per barrel.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. NYSE:TRP (Tc Energy)
5. TSX:BCE (BCE Inc.)
6. TSX:CNQ (Canadian Natural Resources Limited)
7. TSX:PPL (Pembina Pipeline Corporation)
8. TSX:TRP (TC Energy Corporation)

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