



4 of the Best TSX Dividend Stocks to Buy Under \$100

Description

It makes sense to add top-quality dividend stocks to your portfolio to generate regular income irrespective of the volatility in the market. Let's dive deeper into four such high-quality dividend stocks listed on the **TSX** that could continue to pay and increase their dividends over the next decade. Furthermore, shares of these top dividend-paying companies trading below \$100.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is known for its long history of dividend payments. To be precise, it has regularly paid dividends since 1833 and increased it by a compound annual growth rate (CAGR) of 6% in the last decade. I believe its diverse business model, exposure to the higher growth markets, and operating leverage position it well to deliver high-quality earnings that support its dividend payments.

Looking ahead, the economic recovery in its core markets and revival in credit growth could give a significant boost to Scotiabank's top line. Meanwhile, a decline in provisions and focus on expense management could drive stellar growth in its earnings. The bank is also [trading cheaper](#) than its peers and offers a solid yield of 4.5%.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) increased its dividends by a CAGR of 7% in the last 21 years and offers a stellar yield of 5.6% at current price levels. Its high-quality assets generate strong cash flows that drive higher dividend payments. Notably, most of its assets are either regulated or contracted, rendering it relatively immune to the short-term volatility in commodity prices and driving its cash flows.

TC Energy's asset utilization rate remains high, while the recovery in energy demand and an uptick in economic activities further strengthen my bullish view. With continued strength in its base business, \$20 billion secured capital program, and solid development portfolio, TC Energy remains well-positioned to deliver solid earnings and cash flows in the coming years. The company projects a 5-7% growth in its future dividends, while its payout ratio is sustainable in the long run.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) offers a solid dividend yield of 7.2% and is among the [top income stocks](#) listed on the **TSX Index**. Enbridge's diverse cash flow streams, solid momentum in the gas distribution and storage business, contractual framework, and opportunities in the renewable segment indicate that the company remains well-positioned to enhance its shareholders' value through increased dividends.

Enbridge's dividends increased at a CAGR of 10% since 1995 and are likely to grow at a decent pace in the coming years. The recovery in its mainline volumes, strength in the core business, rate escalation, new assets, and cost-savings are likely to drive its future cash flows, in turn, its dividends.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) earns most of its earnings from the rate-regulated utility assets, implying that its payouts are safe, while its dividends could continue to grow at a healthy pace in the coming years. Notably, Fortis increased its dividends for 47 consecutive and expects it to increase by 6% annually over the next five years.

Its diversified utility assets, growing rate base, low-risk business, and continued investments in infrastructure suggest that Fortis is likely to deliver predictable cash flows in the coming years.

Meanwhile, strategic acquisitions and opportunities in the renewable power business are likely to accelerate its growth rate. Fortis has consistently delivered a solid total shareholder return and offers a decent yield of 3.7%.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:TRP (Tc Energy)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:ENB (Enbridge Inc.)

7. TSX:FTS (Fortis Inc.)
8. TSX:TRP (TC Energy Corporation)

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