



## 3 of the Best Dividend Stocks in Canada to Buy and Hold

### Description

Do you want to make passive income? [Dividend stocks](#) are a very good way to earn income passively, as long as the companies in which you invest are reliable and consistent regarding their dividend payments. **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), **National Bank of Canada** ([TSX:NA](#)), and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) are undoubtedly three of the best dividend stocks in Canada to buy and hold.

### Algonquin Power & Utilities

This company is a diversified Canadian conglomerate of renewable energy and regulated utilities with assets in North America. Algonquin Power & Utilities actively invests in hydroelectric, wind, and solar installations and in utility companies through its two operating subsidiaries: Liberty Power and Liberty Utilities.

Algonquin is one of the best dividend stocks to buy in Canada, because renewables are becoming more important. The company is actively investing in renewable energy facilities and increasing its renewable energy capacity through active acquisitions.

Algonquin stock has fallen by 10% year to date. This appears to be a macro trend, as many Canadian renewable energy stocks are down. The recent drop in stock prices is likely a slight just a market correction.

Algonquin pays a quarterly dividend that currently yields 4.4%. It has a five-year dividend-growth rate of 10% and a payout ratio of 40.8%. The stock has a P/E ratio of 10.7.

### National Bank of Canada

National Bank is the sixth-largest bank in Canada. It is heavily concentrated in Quebec, as this province contributes to 62% of its revenues.

National Bank has performed very well over the past 10 years, with a CAGR of 11%. In addition, the Canadian bank continues to increase its dividends at a good pace.

In recent years, National Bank has extended its activities to the rest of Canada to capture additional growth. Being a smaller bank than the Big Five, National Bank has grown by focusing on capital market and wealth management.

As a small bank, National Bank can adopt strategies and implement changes a little faster than larger banks. For example, National Bank has opened private banking branches in Western Canada to capture additional growth. The bank also relies on new technologies to serve a younger clientele and improve the efficiency of the business.

Like other Canadian banks, National Bank has set aside a lot of money in 2020 to protect itself in the event of default. It turned out that there weren't as many defaulted loans, which resulted in better-than-expected profits for the bank. National Bank should continue to do well after the pandemic is over.

National Bank pays a quarterly dividend that currently yields 3.1%. It has a five-year dividend-growth rate of 8.5% and a payout ratio of 38.3%. The stock has a P/E ratio of 12.5.

## Fortis

Fortis is a Canada-based electricity and gas utility holding company. The company's segments include regulated utilities and unregulated utilities. Fortis serves many different regions including Arizona, New York, British Columbia, Alberta, Newfoundland, Ontario, Prince Edward Island, and the Caribbean.

Since many Canadians use natural gas or electricity to heat their homes during the winter or use natural gas or electricity for cooking, Fortis is a very stable stock to own. Its consistent and sustainable cash flow makes its dividend safe.

Fortis is trying to reduce its carbon footprint and increase its exposure to renewable energies. For example, the company has set a target of [reducing company-wide carbon emissions by 75% by 2035](#) from 2019 levels.

Fortis pays a quarterly dividend that currently yields 3.6%. It has a five-year dividend-growth rate of 6.8% and a payout ratio of 73.1%. The stock has a P/E ratio of 20.6.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:FTS (Fortis Inc.)
5. TSX:NA (National Bank of Canada)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## **Category**

1. Bank Stocks
2. Dividend Stocks
3. Investing

## **Tags**

1. Editor's Choice

## **Date**

2025/09/01

## **Date Created**

2021/06/07

## **Author**

sbchateauneuf

default watermark

default watermark