



Want to Build a Solid Retirement Corpus? Buy These 3 Canadian Stocks Right Now!

Description

If you are looking for top investments to create a substantial amount of wealth for your retirement, consider buying the top dividend stocks. Thanks to their strong earnings potential and solid fundamentals, dividend-paying stocks consistently generate healthy returns and offer stability to your portfolio.

I have zeroed in on **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), and **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) as top investments to create a substantial retirement corpus.

Apart from their low-risk business model, these stocks have delivered higher dividends over the past several years and have strong earnings growth potential. Moreover, these stocks offer attractive yields and have a sustainable payout ratio.

Scotiabank

Scotiabank is known for its long dividend payments history, reflecting its ability to deliver stellar earnings growth consistently. Barring 2020, Scotiabank's EPS increased at a compound annual growth rate (CAGR) of 8% since 2009. In the most recent quarter, the Canadian banking giant reported an adjusted net income growth of 81% on the back of lower credit loss provisions, higher deposit growth, and a rebound in fee income.

I expect continued improvement in Scotiabank's financials in the coming quarters, which could drive its dividends and support the uptrend in its stock. Further, growth in digital business, exposure to high-growth banking markets, and improving efficiency are likely to drive strong growth in its bottom line. It offers a yield of 4.4% at current levels.

Meanwhile, it looks attractive on valuation, as it is trading at a price-to-book value (P/B) multiple of 1.5, which is well below its peer group average.

Scotiabank stock has gained about 24% in six months, and I believe the economic recovery and improved demand will continue to drive its loan and deposit volume growth, in turn, [its share prices](#).

Pembina Pipeline

Pembina Pipeline is among the most reliable dividend stocks and should be part of your retirement portfolio. It has a long track record of paying regular dividends since 1997. Notably, it has raised its dividend by about 5% annually in the last decade and offers a high yield of 6.6%.

Further, the company's payouts are safe and sustainable thanks to its highly contracted business that generate stable fee-based cash flows.

I believe the recovery in energy demand, Pembina's exposure to multiple commodities, improved volumes, and higher pricing will continue to drive its profitability and cash flows in the long run. Further, improving operating leverage and newly secured growth projects will likely support future dividends.

Its recent acquisition of **Inter Pipeline** is likely to generate significant synergies and accelerate its growth rate. Pembina Pipeline stock also trades at a lower EV/EBITDA multiple of 10 compared to its peers, making it an attractive buy.

Algonquin Power & Utilities

Utility giant Algonquin Power & Utilities is another [excellent stock](#) for your retirement portfolio, as it owns and operates a low-risk and high-growth business that generates robust cash flows to support higher dividend payouts. The company has uninterruptedly increased its dividend by 10% annually in the last 11 years thanks to its growing rate base and high-quality earnings base.

I expect Algonquin Power & Utilities to continue to deliver stellar earnings and cash flows, reflecting its resilient business model, growth in rate base, and long-term power-purchase agreements.

Furthermore, the expansion of its renewable energy business and strategic acquisitions bode well for future growth. Currently, Algonquin Power & Utilities offers a dividend yield of 4.4%, which is very safe.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)

3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:PPL (Pembina Pipeline Corporation)

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