



The 3 Best Canadian Dividend Stocks to Buy in June 2021

Description

Income-seeking investors generally focus more on dividend amounts. But dividend yield is a more important metric, as it shows how much payout a shareholder would receive relative to its stock price. Here are three top Canadian dividend stocks for June 2021.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is one of the biggest top-yielding stocks on the TSX. Its 7.2% yield indicates a significant premium relative to what we get on deposits. Now, you would argue that Enbridge is a risky bet compared to deposits. Certainly, but it's not as risky as oil-producing energy companies.

Enbridge is a pipeline company and generates a large portion of its revenues from stable, long-term contract fees. Even when oil and gas prices fluctuate, that doesn't substantially impact the company's earnings. And that's why Enbridge has managed to raise its shareholder payouts for the last 26 consecutive years.

Notably, it will likely keep on rising dividends consistently for the future as well. Its unmatched pipeline network and creditworthy counterparties underline a low-risk proposition for investors. Although ENB stock lags broader markets in shorter period, it outperforms in terms of total returns in the long term.

BCE

Canada's telecom industry is going through a paradigm shift as it approaches the 5G revolution. Telecom giants are actively betting on inorganic growth, while some are spending billions on network improvements. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) belongs to the latter camp.

BCE intends to [invest](#) approximately \$4 billion in capital projects annually for the next two years. It plans to provide 5G coverage to approximately 70% of the Canadian population in 2021 under its biggest capital spending plan so far. The company will likely begin reaping the benefits with

accelerated earnings growth once 5G normalizes in the next couple of years.

Telecom stocks are low-risk bets and act as classic defensives in uncertain markets. BCE stock currently yields 5.7%, way higher than TSX stocks at large. It has a long dividend-payment history, which indicates reliability and stability. Like Enbridge, BCE too offers [an attractive investment proposition](#) for long-term investors.

AltaGas

AltaGas ([TSX:ALA](#)) is approximately a \$7 billion energy midstream and utility company. It operates natural gas and liquids transmission and storage facilities while its utility operations take care of natural gas distribution. The company's low-risk operations facilitate stable earnings in almost all economic scenarios. This facilitates stable and predictable dividends for investors.

Note that, natural gas utilities grow relatively at a faster rate than electric utilities. AltaGas generates 57% of its revenues from utilities, while the rest comes from midstream. It plans to invest \$910 million in capital projects, which will likely drive its earnings growth. AltaGas's earnings might not remarkably boost on economic recovery, but higher natural gas prices could bode well for it in the next few quarters.

AltaGas stock currently yields 4% — marginally higher than TSX stocks at large. It pays monthly dividends. If you invest \$10,000 in AltaGas stock, you will get around \$33.3 per month in dividends. The dividend amount will increase every year, as the company grows its profits.

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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)

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