Canadian Dividends: 3 Passive Income Stars

Description

The **TSX** features many high-quality stocks suitable for a range of investing styles. One investing strategy that can thrive with Canadian dividend stocks is passive income investing.

That's because the TSX is home to many solid blue-chip stocks. These stocks not only offer reliable growth prospects but also attractive and stable dividends.

For passive income investing, these things are key. Simply chasing the highest yield typically doesn't work out, and over the long haul, investors are better off with more reliable picks.

Today, we'll look at three Canadian dividend stars that can be integral components of a successful passive income plan.

BMO

Bank of Montreal (TSX:BMO)(NYSE:BMO) is one of the major bank stocks in Canada and as such a natural choice for dividend investing. The stock differentiates itself from the other banks mainly with its lending profile and U.S. exposure.

Most importantly, BMO's dividend is one that investors can comfortably rely on. In fact, it's paid a dividend every year since 1829.

That kind of streak doesn't happen by accident. Now, while the past doesn't always predict the future, it should at least give you an idea of what BMO values.

This is a bank stock focused on delivering value to investors through a stable and growing dividend. While the dividend has been forced to be stagnant as of late, it wouldn't be surprising to see it grow going forward.

Overall, BMO is one of the top Canadian dividend stocks and definitely worth a good look.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is another major Canadian bank that also has a strong presence in the U.S. as well.

As of this writing, TD is trading at $87.21 and yielding 3.62%. Now, like with BMO, it's fair to expect dividends to rise going forward as the economy re-opens.

This Canadian dividend king's strong blend of revenue sources and status as a banking powerhouse makes it an ideal passive income option. That is, the potential for large passive income returns over time is high with this banking giant.

Both BMO and TD make for good all-around plays for Canadian investors looking to rake in some passive income. They're both diverse enough to withstand tough markets and also benefit greatly from a more open economy.

Defensive Canadian dividends: Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a massive utility service provider with operations across multiple continents. It can fit into a passive income strategy that's looking to be a bit more defensive.

That's because this Canadian dividend star has structured its businesses in a way that makes its revenue very secure. Namely, it provides its utility services mostly through regulated contracts that are practically set in stone.

So, investors find very few surprises coming from FTS, and as such, the share price is typically very stable. In fact, the stock has a beta of 0.05, suggesting the share price doesn't move with the market almost at all.

As of this writing, FTS is trading at $56.49 and yielding 3.58%. For investors looking to add some defensive positioning to their passive income strategy, this stock is worth a look.

Canadian dividend strategy

These three names can all play vital roles in a passive income strategy for the long run. Investors should consider these three TSX giants if they're looking to beef up their dividend investing strategy.

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2. NYSE:FTS (Fortis Inc.)
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