3 Top Canadian Dividend Stocks to Buy Right Now

Description

Canadian equity markets have delivered impressive returns this year, with the benchmark index, the **S&P/TSX Composite Index**, rising 14.7%. However, given the inflationary environment, investors fear that the federal bank could tighten its policy sooner than expected, weighing on future growth prospects. Amid these concerns, Canadian equity markets have become volatile recently. So, it would be prudent to invest in the following three dividend stocks to strengthen your portfolio while also earning stable passive income.

Enbridge

Given its impressive track record, steady cash flows, and high dividend yield, **Enbridge** (TSX:ENB)(NYSE:ENB) would be an excellent buy for income-seeking investors. The company operates 40 diverse revenue-generating assets, with 98% of its cash flows generated from regulated assets or long-term contracts. These stable cash flows have allowed the company to pay dividends uninterrupted for 66 previous years.

It has also raised its dividend consistently for the last 26 straight years at a CAGR of over 10%. Currently, it pays a quarterly dividend of $0.835 per share, with its forward dividend yield standing at a juicy 6.78%. Further, the company focuses on growing its renewable energy assets and energy infrastructure through a capital spending of around $17 billion over the next three years. Along with these investments, improved asset utilization due to increased oil demand could boost Enbridge's financials in the coming years. So, I am bullish on Enbridge.

Canadian Utilities

Canadian Utilities (TSX:CU) owns the record of raising its dividend for 49 consecutive years, which is the longest for any Canadian public company. Meanwhile, the company earns a significant amount of its earnings from its five regulated utility assets, thus providing stability to its financials and cash flows. These stable cash flows have allowed the company to raise its dividend consistently. Currently, it pays a quarterly dividend of $0.4398 per share, with its forward dividend yield standing at 4.95%.

The company's management has planned to make a $3.2 billion investment over the next three years, expanding its rate base from $14 billion to $14.8 billion. Further, the company is working on the completion of the acquisition of Pioneer Natural Gas Pipeline. All these initiatives could boost Canadian Utilities's financials in the coming years, thus allowing it to continue with its dividend hikes.

BCE

Amid digitization and increased remote working and learning, the demand for telecommunication services is rising. So, I have picked **BCE** (TSX:BCE)(NYSE:BCE), one of Canada's top three telecommunication operators, as my third pick. It has raised its dividend consistently over the last 12 years at a CAGR of over 6%. The company currently pays a quarterly dividend of $0.875 per share, with its forward dividend yield standing at 5.75%.

BCE is accelerating its spending on expanding its 5G and broadband networks across the country. Currently, it provides 5G services in 23 Canadian markets. The company's management hopes to provide the service to 70% of the Canadian population by the end of this year. Further, BCE has also joined hands with **Amazon** Web Services to improve its customer experiences and modernize its applications and services. Given these initiatives, I believe the company is well equipped to benefit from the rising demand. Further, given its $6.5 billion liquidity, the company's financial position also looks healthy.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

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Author
rnanjapla