



## 3 Top Canadian Stocks for Consistent Dividend Income

### Description

There are plenty of Canadian stocks that offer solid dividend yields. However, only a few companies have consistently paid and increased their dividends for a very long period. Moreover, these Canadian companies have businesses that deliver high-quality earnings and cash flows, indicating that investors could expect higher dividends in the future. Moreover, their payouts are safe and sustainable.

Also, I would encourage investors to invest in these top dividend-paying Canadian stocks through their Tax-Free Savings Accounts to generate a tax-free income.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is one of the most [reliable stocks](#) to earn consistent dividend income. The banking giant has regularly paid dividends for 192 consecutive years, which is the highest among all the publicly traded Canadian companies. Furthermore, it increased its dividend at a CAGR of 6% in the last 15 years. Currently, Bank of Montreal offers a dividend yield of 3.3%.

Bank of Montreal has consistently delivered solid earnings that drove its dividend. Meanwhile, it projects its future profits to increase by 7-10% annually in the coming years, providing a solid foundation for dividend growth. I believe its diversified business, solid credit performance, and operating leverage could cushion its bottom line. Moreover, the continued momentum across its businesses, growing volumes, and expense management should further support its financials. The bank is trading cheaper than peers and is an appealing long-term bet.

### Canadian Utilities

Investors looking for top stocks offering regular dividends and higher yields can consider buying **Canadian Utilities** ([TSX:CU](#)). This utility company has the longest track record of raising its dividend and enhancing its shareholders' value. To be precise, the utility company has increased its dividend each year for the past 49 years, thanks to its diversified rate-regulated business. Moreover, it offers a juicy dividend yield of over 4.9%.

The company derives a majority of its earnings from its contractual and rate-regulated assets that deliver resilient cash flows and supports higher dividend payments. The company aims to continue to increase its dividend in line with its sustainable earnings growth, which is encouraging. I believe its continued investments in the highly contracted assets and focus on lowering its costs should provide a solid foundation for continued earnings growth. Also, improvement in its energy infrastructure business is likely to contribute meaningfully to its earnings and cash flows.

## Fortis

Like Canadian Utilities, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) has consistently delivered [impressive shareholder returns](#) over the past several years. Investors can rely on this Canadian stock as the company has increased its dividends for 47 consecutive years. Moreover, the company expects to raise its annual dividends by 6% over the next five years, reflecting a \$10 billion growth in its rate base. Currently, Fortis's dividend yield stands at 3.6%.

Thanks to its low-risk business and growing asset base, Fortis is likely to deliver resilient cash flows that could drive its future dividends. Overall, I believe the company's diversified utility assets, rate base growth, increased retail electricity sales, and cost efficiencies could continue to boost its earnings. Further, an increase in renewable power-generation capacity and strategic acquisitions could boost Fortis's growth rate.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:FTS (Fortis Inc.)

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### **Date**

2025/08/25

### **Date Created**

2021/06/22

### **Author**

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