2 Top Canadian Dividend Stocks to Buy in July

Description

Over the course of your investment journey, as you're saving money and growing your portfolio, some of the best Canadian stocks you'll own will be dividend stocks.

Dividend stocks are some of the best assets you'll buy for several reasons. First and foremost, they earn you passive income, one of the best feelings in the world.

In addition to that passive income, though, which plenty of other investments can offer, you still have the opportunity to participate in the business's growth and earn some major capital gains. Not to mention, Canadian dividend stocks are generally less volatile than non-dividend-paying companies.

Several Canadian dividend stocks have been top performers so far in the first half of this year, and there are several companies continuing to offer significant potential for the second half of the year. Here are two of the best.

A top energy royalty stock

It's no secret that energy stocks have been some of the top performers this year as they recover. And while several energy stocks look attractive, one of the best for dividend investors is **Freehold Royalties** (TSX:FRU).

Freehold owns land that other energy companies produce their oil and gas on. Freehold then receives a royalty from the company. So as the energy industry is ramping up its production and prices are skyrocketing, Freehold will naturally see a major boost to its revenue.

So far, year to date, the stock has already gained 90%, and it continues to have more growth potential. However, its dividend is what's most attractive about Freehold.

The Canadian stock's recovery has been so impressive that it has already increased its dividend three times since late last year.

Plus, today, its dividend yields roughly 5%, and it continues to pay out less than it did before the pandemic.

So if you're looking for a high-quality Canadian dividend stock that still has more recovery and growth potential, Freehold is one of the top companies to consider.

A top Canadian restaurant dividend stock

Another high-quality Canadian dividend stock to consider while it's still cheap is **Boston Pizza Revenue Royalties** (TSX:BPF.UN).

Boston Pizza is another royalty stock similar to Freehold. These companies are ideal because they are the perfect investments for dividend investors.

The Canadian dividend stock earns a royalty on all the sales that each restaurant location across Canada does. This is crucial because as the pandemic is winding down, restaurants and indoor dining are some of the last businesses to open back up and recover fully from the pandemic.

So Boston Pizza Royalties, which is just an investment in the level of sales the franchises can earn, is one of the best investments you can make in today's environment.

The stock is currently paying a dividend that yields an impressive 5.5%. What's even more promising, though, is that the 5.5% dividend is paying out just 56% of what Boston Pizza did before the pandemic.

That means if you buy the stock today and it ends up recovering and can pay out what it did before the pandemic, your investment could yield up to 10%. Not to mention there would be some major upside in the price of Boston Pizza's stock as well.

So if you're looking for a top Canadian dividend stock to buy in July, Boston Pizza is currently offering investors an incredible opportunity.

CATEGORY

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1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:FRU (Freehold Royalties Ltd.)

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Date
2025/07/22
Date Created
2021/06/30
Author
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