



## 3 of the Best TSX Dividend Stocks to Buy With \$500 in July 2021

### Description

It's always advisable to invest in top-quality dividend stocks that can help you generate a regular passive income in times of high volatility and uncertainty in the market. Besides offering a regular income, top dividend-paying companies are known for their ability to generate high-quality earnings, which drives their stock prices higher and boosts investors' wealth in the long run.

With steady income and growth in mind, I have shortlisted the three best TSX stocks with long dividend payment histories, resilient cash flows, and high-quality earnings bases. So, if you've got \$500, consider adding these top stocks to your portfolio right now.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is among the [top income](#) stocks listed on the TSX Index. The energy company has consistently paid dividends for over 66 years and offers a high yield of 6.7%. Meanwhile, it raised its dividend for 26 consecutive years at a CAGR of 10%, which is incredible.

I believe Enbridge remains well positioned to consistently enhance its shareholders' value through increased dividends. Its diversified cash flows, contractual framework, continued momentum in the core business, recovery in mainline volumes, and strength in the gas and renewable power business are likely to drive its future earnings and dividends. Also, its \$16 billion secured capital program, cost-saving measures, and revival in mainline throughput are likely to drive its cash flows and, in turn, its dividends.

Looking ahead, Enbridge projects to deliver an average annual total shareholder return of 13%. Furthermore, Enbridge's payouts are safe and sustainable in the long run.

### Canadian Utilities

**Canadian Utilities** ([TSX:CU](#)) is another reliable dividend stock for investors looking to build a steady passive-income portfolio. This utility company has raised its dividend for the longest period (49 years in a row) and remains well positioned to continue to increase it further in the coming years. Currently, it offers a dividend yield of over 5.1%.

Canadian Utilities generates most of its earnings from the rate-regulated and contractual assets, implying that its payouts are very safe and sustainable in the long term. Further, Canadian Utilities continues to invest in highly contracted and rate-regulated assets that provide a solid foundation for earnings and dividend growth.

Overall, I believe its high-quality asset base, contractual arrangements, improvement in its energy infrastructure business, and cost-savings initiatives could continue to drive its earnings and dividend at a decent pace.

## Fortis

Like Canadian Utilities, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is another top bet to generate a [steady income](#) flow. Moreover, Fortis stock is likely to add much-needed stability to your portfolio. Notably, Fortis has rewarded its shareholders with increased dividend payments (for 47 consecutive years) and expects to increase it annually by 6% in the next five years. Further, the company's payouts are safe and sustainable. Fortis currently pays a quarterly dividend of \$0.505 a share and offers a decent yield of 3.7%.

Fortis's higher dividend payments are supported by its diversified and regulated assets, which deliver predictable cash flows. I expect the company's low-risk business, highly contracted and regulated assets, and growth rate base to continue to drive future dividend payments. Meanwhile, its continued investments in infrastructure, strategic acquisitions, and solid opportunities in the renewable power business will likely support its future growth rate.

### CATEGORY

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

### TICKERS GLOBAL

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

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