3 Top Dividend Stocks to Buy Right Now

Description

Investors eyeing a passive stream of income can look to buy blue-chip dividend-paying stocks on the **TSX**. If you hold these stocks in a Tax-Free Saving Account (TFSA) the dividend payments, as well as capital gains, will be exempt from Canada Revenue Agency taxes.

There are several companies trading on the TSX with strong financials and stellar dividend records, making them ideal for income investors.

Further, with bond rates trading at record lows, dividend stocks with attractive yields will provide investors an opportunity to beat inflation and grow long-term wealth.

Here, we take a look at three dividend stocks Canadian investors can buy today.

Enbridge has a forward yield of 6.7%

The first stock on my list is Canada's energy heavyweight **Enbridge** (TSX:ENB)(NYSE:ENB). This large-cap blue-chip stock has a diversified base of cash-generating assets that have allowed the company to increase dividends at an annual rate of 10% since 1995.

Enbridge has allocated $10 billion toward capital expenditures in 2021 which should support its future cash flows and dividend growth. In fact, ENB expects dividends to grow between 5% and 7% through 2023, while EBITDA is forecast to grow by 6% year over year. Comparatively, Enbridge's distributable cash flow might rise 4% in 2021.

Enbridge is a midstream company, which makes it relatively immune to fluctuating commodity prices. Its contractual-based model assures cash flows are predictable while its economic moat provides long-term stability. Enbridge stock currently provides investors with a tasty forward yield of 6.7%.

TC Energy

A Calgary-based midstream energy company, **TC Energy** (TSX:TRP)(NYSE:TRP) has three primary businesses that include Energy, Natural Gas Pipelines, and Liquid Pipelines. While TC Energy pulled the plug on the Keystone XL pipeline, it seeking to recover $15 billion in damages as a result of the breach of the U.S. government's NAFTA obligations.

The scrapping of the above-mentioned pipeline project has cost TC Energy $2.2 billion in impairment fees as it was supposed to add 830,000 barrels each day to the company's export capacity.

However, TC Energy remains a top bet for dividend investors due to its rate-regulated contracts, low-risk operations, and earnings stability. It allowed the company to grow dividends across business cycles including the 2008 financial crisis and the COVID-19 pandemic.

TC Energy now has a forward yield of 5.64%, which means a $10,000 investment in this blue-chip company will allow you to derive $564 in annual dividends.

Pembina Pipeline

The third midstream company on my list is **Pembina Pipeline** (TSX:PPL)(NYSE:PBA). Valued at a market cap of $17.6 billion, Pembina Pipeline provides investors with a forward yield of 6.5%.

Pembina has grown via acquisitions which have helped it grow dividends at a consistent rate. It acquired Veresen for $9.7 billion in 2017 and bought Kinder Morgan's Canadian operations in 2020 for $4.35 billion. Now, it has trained guns on **Inter Pipeline** in a deal valued at $8.3 billion.

Pembina expects to increase its payout by almost 5% to $0.22 per share per month once the acquisition is closed while saving between $150 million to $200 million via cost synergies. It is one of the few energy companies that pay investors a monthly dividend.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/26
Date Created
2021/07/12
Author
araghunath