



## 2 Top TSX Dividend Stocks to Buy and Hold Forever

### Description

As we look forward to the end of the pandemic, the TSX and many major indices around the world are hovering around all-time highs. For investors who'd bought during the turmoil last year, such returns are certainly vindicating. For those who'd bought [dividend stocks](#) that dipped dramatically and locked in sky-high yields, all the better.

Indeed, yields have come down substantially in the past few quarters. However, some stocks still offer attractive yields with excellent long-term growth potential. Among my [top two picks](#) right now are **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Here's why.

### Enbridge

Enbridge is one of the highest-yielding defensive dividend stocks on the market right now. Indeed, this pipeline player provides investors with a 6.7% yield. This yield is truly remarkable when one considers where bond yields are at today.

This yield is also remarkable when one considers the defensiveness of Enbridge's business model. As a key pipeline player, Enbridge provides investors with cash flow stability that's hard to find.

On the fundamental side of the equation, things also look rather decent for Enbridge investors. The company's payout ratio stands at 72%. And Enbridge currently trades at only 15 times earnings. For a company of this quality, this yield and valuation multiple certainly are enticing.

Add to these facts the reality that Enbridge has raised its dividend for 25 years consecutively, and investors certainly have a lot to like about this energy infrastructure play. Indeed, Enbridge has committed to reducing its dividend increases to around 3% per year from here. The company's excess cash will go instead to paying down debt and reinvesting in capital-intensive projects. However, given where the company's yield is at today, it's hard to argue these moves aren't prudent. In fact, I like the direction Enbridge is headed. This is a company with plenty of upside, paying investors nearly 7% to

be patient.

## Fortis

In the utilities space, Fortis is my top pick for those seeking reliable income over time.

It's not Fortis's 3.6% yield that attracts me, necessarily. There are higher-yielding opportunities in this space, and one seeking yield right now may highly gravitate toward the likes of an Enbridge in this regard.

However, Fortis's track record of dividend growth is truly unmatched. For nearly five decades, Fortis has continued to hike its dividend. This historical track record is truly one of the greatest on the TSX and speaks to Fortis's ability to grow its cash flows each and every year.

Like Enbridge, Fortis's cash flows are very secure and stable. As demand for utilities continues to increase coming out of this pandemic, I think there are some near-term drivers that could create some tailwinds for investors. Accordingly, now may be the time to think about locking in a position in this stock.

Fortis expects to increase its dividend in the 6% range until 2025. For investors with a holding period of at least five years, this is a dividend stock to consider today.

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1. Dividend Stocks
2. Energy Stocks
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### TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)

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