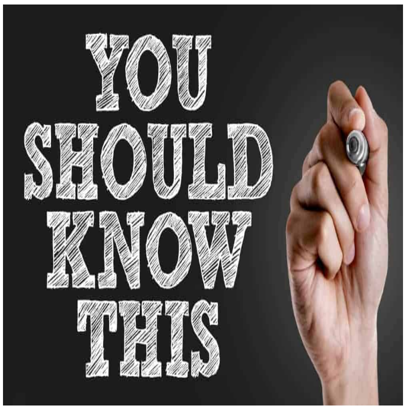

3 Canadian Dividend Stocks for New Investors to Buy Now

Description

If you're just starting investing, you should prioritize your capital for dividend investing. Investing in dividend stocks is simple to understand. Many dividend stocks have underlying quality businesses. Therefore, they pay consistent dividends.

You'll be able to decipher quality dividend stocks from not-so-quality ones over time by analyzing many dividend stocks. Let's start you off with these quality Canadian dividend stock examples that are perfect for new stock investors to consider today.

Canadian Tire

Canadian Tire (TSX:CTC.A) is an iconic Canadian brand with a long history. Over the years, it has also accumulated other banners under its umbrella, including SportChek, Marks, and Party City. Its e-commerce sales are becoming increasingly meaningful, making up about 12% of its total sales in 2020. In the first quarter, it reported e-commerce sales surging 257% across its banners.

Despite the dividend stock falling hard by about 50% last year during the pandemic, its actual results weren't nearly as bad. Thanks to online sales and share buybacks, the company managed to achieve flat-adjusted earnings-per-share growth in 2020 versus 2019. As well, it maintained its status as a Canadian Dividend Aristocrat and dividend-growth stock.

Since 2004, Canadian Tire stock has increased its dividend by about 15% per year. Currently, it provides a secure yield of 2.5%. At about $188 per share at writing, the dividend stock is modestly discounted with a blended price-to-earnings ratio of about 13 with anticipated EPS growth at least in the mid-single-digit growth rate. Its payout ratio is only about 30%, which is enough to protect the dividend and provide room for dividend growth.

Canadian Tire stock is a good buy now and on further dips.

Enbridge stock

If new investors are seeking even more income, they can take a look at **Enbridge** (TSX:ENB)(NYSE:ENB) stock. It's hard to beat its fat yield of about 6.8%!

Enbridge is the largest energy infrastructure company in North America with a wide network of oil and gas pipelines.

The dividend stock is a Canadian Dividend Aristocrat with 25 consecutive years of dividend growth. It is fairly priced at $49 and change per share at writing.

Enbridge's dividend is protected by a sustainable payout ratio. Consequently, assuming even a small growth rate of 3%, buyers of ENB stock today are looking at total returns of close to 10% a year.

Management expects to free up more investable free cash flow by next year, which should lead to more dividend growth and drive the dividend stock higher.

Fortis stock

Fortis (TSX:FTS)(NYSE:FTS) stock is a top Canadian dividend stock with below-average risk. That is, its earnings and dividend growth are above-average stable and predictable, combined with a low-beta stock because of its low uncertainty.

It is a Canadian Dividend Aristocrat with 47 consecutive years of dividend hikes. Its 10-year dividend growth rate is 5.6%. Throughout 2025, Fortis stock aims for a dividend growth rate of 6%.

At about $56 per share at writing, Fortis stock is fairly valued with an initial yield of close to 3.6%. It'll be increasing its dividend this quarter. So, its forward yield is actually approximately 3.8%. Buying the stock at close to a 4% yield is a good deal.

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