



## 4 Top Canadian Dividend Stocks to Buy With \$400 in August 2021

### Description

I have said many times before that adding top-quality dividend stocks to your portfolio not only enhances your returns but also adds stability. Dividend-paying companies generate resilient earnings and cash flows that support higher payments and make them immune to wild market swings.

So if you can spare \$400, let's take a look at four such companies with an ex-dividend date in August 2021.

### Canadian Utilities

With an ex-dividend date of August 4, **Canadian Utilities** ([TSX:CU](#)) is a top stock to add to your portfolio. It has consistently enhanced its shareholders' returns and increased its dividends for 49 years in a row. Canadian Utilities' robust dividend payments are backed by low-risk and high-quality utility assets that generate predictable cash flows.

Notably, Canadian Utilities continues to invest rate-regulated and long-term contracted assets, which is likely to strengthen its earnings base and drive future payouts. Furthermore, the momentum in the energy infrastructure business and cost efficiencies are expected to support higher dividend payments. At current price levels, Canadian Utilities offers a solid yield of 4.8%.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has its ex-dividend date on Aug. 12. The energy infrastructure company is famous for its [robust dividend](#) payouts and high yield. Enbridge is paying dividends for more than 66 years, while it raised the same at a CAGR of 10% in the last 26 years, which is incredible. At current price levels, Enbridge offers a stellar yield of 6.8%.

I believe Enbridge's strong secured capital program, momentum in the gas and renewable power business, recovery in mainline throughput, and contractual arrangements position it well to deliver solid cash flows, which in turn, could continue to boost higher dividend payments. Moreover, a favorable long-term energy outlook bodes well for future growth.

## Fortis

Investors could consider buying **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock for a growing dividend income stream. The utility company has its ex-dividend date on Aug. 18 and offers a solid dividend yield of 3.6% at current price levels. Like Canadian Utilities, Fortis also has a long history of increasing its dividends (to be precise, it has raised dividends for 47 consecutive years) and remains on track to hike it further in the coming years.

Fortis projects its annual dividends to grow at a compound annual growth rate of 6% over the next five years. Its growing rate base, diversified and predictable cash flows, strategic acquisitions, and infrastructure investments are likely to cushion its profits and cash flows, in turn, drive its dividend payments.

## AltaGas

**AltaGas** ([TSX:ALA](#)) is another solid bet for income investors. Its balanced portfolio of high-growth midstream business and low-risk utility assets positions it well to consistently boost its shareholders' returns through increased dividend payments. Notably, AltaGas offers [monthly payouts](#) and has its ex-dividend date on Aug. 24.

AltaGas' utility business generates stable cash flows. Besides, rate base growth, customer additions, and cost reduction initiatives augur well for future growth.

Furthermore, the integration of Petrogas, access to the premium Asian markets, increased global export volumes, and long-term contracts are likely to fuel growth at its midstream business. AltaGas offers a dividend yield of 3.8%, which is highly reliable.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

## TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

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## **Date**

2025/06/29

## **Date Created**

2021/08/03

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