2 Cheap Dividend Stocks to Buy Today

Description

The earnings season almost always gets a good reaction out of the stock market.

As the quarterly updates came streaming in, the earnings reports had reactions in the stock market that made for interesting opportunities for stock market investors looking for high-quality stocks to buy on the dip.

Earnings season does not always mean that the top stocks will dramatically dip to more attractive valuations. However, it can result in at least slight changes that can help you get better value for money on even a minor downturn in share prices.

Today, I will discuss two of the top Canadian dividend stocks that are trading for a slight discount at writing with promising long-term outlooks.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) stock had nothing but good news to offer in its second-quarter earnings for fiscal 2021. The company's earnings report reaffirmed its financial outlook, as its adjusted earnings per share were up by 19%. Its adjusted earnings came in at $1.4 billion compared to $1.1 billion in the same quarter last year.

The company's distributable cash flow came in at $2.5 billion compared to $2.4 billion in the same quarter last year, and it continues to make good progress on its capital pipeline. Enbridge expects its Line 3 replacement project to become functional as 2021 ends, alongside several other projects.

Trading for $49.38 per share at writing, Enbridge stock is up by almost 21% on a year-to-date basis, and it boasts a juicy 6.75% dividend yield. With its rate base expansion likely due to its projects coming into service by the end of the year, Enbridge investors can expect their dividends to increase further in the coming years.

Telus

Telus (TSX:T)(NYSE:TU) is another top Canadian dividend stock that is worth adding to your portfolio. The company offers its shareholders reliable dividend payouts due to the essential nature of its service.

As a telecom provider, Telus can continue generating robust cash flows regardless of economic conditions because its customers are unlikely to discontinue their subscriptions to cut costs. It means that it is not just an income stock. It also adds defensive qualities to your portfolio.

Telus stock could also provide growth to your portfolio as it continued to lead the telecom sector with 223,000 new customers in its last quarter. Telus saw its net income increase by 15.5% in the second quarter of fiscal 2021 compared to the same quarter last year. The growth of TELUS Health, TELUS Agriculture, and TELUS International also provide great upside potential for Telus investors.

Trading for $28.33 per share at writing, Telus stock boasts a juicy 4.46% dividend yield.

Foolish takeaway

Adding shares of Enbridge stock and Telus stock to your portfolio right now comes with the advantage of wealth growth through reliable dividend payouts and capital gains, as the economy continues to recover. Buying shares of the two companies today could also allow you to lock in the juicy dividend yields to enjoy substantial long-term returns.

Buying and holding the shares of these two companies in a Tax-Free Savings Account (TFSA) could help you capitalize on tax-free wealth growth. Reinvesting the dividends through a dividend-reinvestment plan could help you unlock the power of compounding to accelerate your long-term wealth growth.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:TU (TELUS)
3. TSX:ENB (Enbridge Inc.)
4. TSX:T (TELUS)

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Author
adamothman