3 Top Dividend Stocks to Buy Under $30

Description

Amid the concerns over a slowdown in economic recovery, the Canadian equity markets have turned volatile over the last few weeks. Meanwhile, investors can strengthen their portfolios by investing in the following three Canadian dividend stocks. These three companies can also boost your passive income.

Telus

Amid increased digitization and rising remote working and learning culture, the demand for faster and reliable internet service is growing. So, I have selected **TELUS** (TSX:T)(NYSE:TU), one of three prominent telecommunication players in Canada, as my first pick. Meanwhile, the company is working on expanding its 5G and high-speed broadband services.

By the end of the second quarter, Telus offered 5G service to 36% of the Canadian population. Meanwhile, the company plans to extend the service to 70% of the Canadian population this year-end. The company has added over 223,000 new customers over the last four quarters, thanks to its innovative products, superior connected experiences, and premium bundled offerings.

Further, its management expects its revenue and EBITDA to grow by 10% and 8% this year, respectively. So, given its healthy growth prospects, Telus is well-equipped to continue paying dividends at a healthier yield. Currently, the company pays a dividend of $0.3162 per share quarterly, with its forward yield standing at an attractive 4.36%.

TransAlta Renewables

Second on my list would be **TransAlta Renewables** (TSX:RNW), which operates or has an economic interest in more than 45 power-generating facilities. During its recently announced second quarter, its adjusted EBITDA and adjusted funds from operations (AFFO) declined by $18 million and $26 million, respectively. The company's management has blamed lower wind resources and unexpected outages in the Canadian Gas segment for declining its financials.

However, TransAlta Renewables has announced to begin constructing its Northern Goldfields Solar Project in the fourth quarter. Further, the company is continuing with the construction of Windrise and expects to start the commercial operations later this year. These two projects can boost the company adjusted EBITDA by $30 million annually.

Besides, the company also has a strong pipeline of projects, with 2.9 gigawatts in the evaluation stage. So, given its healthy growth prospects, I expect TransAlta Renewables to deliver superior returns over the next three years. Besides, it also pays a monthly dividend, with its forward yield standing at 4.63%.

Algonquin Power & Utilities

My final pick would be **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN), which had posted a solid second-quarter performance earlier this month. Its revenue grew by 54% during the quarter, while its adjusted EPS increased by 67%. Since August 2020, the company has put into service 1.4 gigawatts of power-generating facilities. Along with these facilities, the company's recent acquisitions have boosted its financials.

Besides, the company has planned to invest around $9.4 billion from 2021 to 2025. Meanwhile, in the first six months of this year, the company has invested $3.14 billion, with $1.51 billion on regulated assets. Also, the increased transition towards clean energy could benefit the company in the coming years. So, I am bullish on Algonquin Power & Utilities.

Meanwhile, the company also pays a quarterly dividend of $0.2134 per share, with its forward yield standing at 4.25%. So, Algonquin Power & Utilities could be an excellent buy in this volatile environment.

CATEGORY

1. Energy Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:RNW (TransAlta Renewables)
5. TSX:T (TELUS)

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rnanjapla