3 Safe Dividend Stocks to Buy Right Now

Description

The Canadian equity markets have delivered impressive returns this year, with the benchmark index, the **S&P/TSX Composite Index**, trading over 18% higher for this year. The strong growth in the stock prices of Canadian companies has driven their valuation higher.

With equity markets trading closer to their all-time highs, some analysts are projecting a steep correction amid rising concerns over higher inflation, expensive valuation, and growing COVID-19 cases. So, amid rising volatility, investors can strengthen their portfolios by investing in the following three safe dividend stocks.

Canadian Utilities

With 49 years of consecutive dividend hikes, **Canadian Utilities** (TSX:CU) is the longest among Canadian public companies to have increased their dividends. The diversified energy infrastructure company generates a bulk of its earnings from five low-risk utility businesses, thus delivering stable cash flows. These steady cash flows have allowed the company to raise its dividends uninterruptedly. Currently, it pays a quarterly dividend of $0.4398, with its forward dividend yield standing at 4.92%.

Meanwhile, Canadian Utilities has continued to invest in expanding its regulated and contracted assets. It has planned to invest around $3.2 billion over the next three years. Along with these investments, the acquisition of Pioneer Natural Gas Pipeline in September 2020 could boost its financials in the coming quarters, thus allowing the company to continue with its dividend growth.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) operates 40 diverse revenue streams, with around 98% of its adjusted EBITDA generated from regulated assets and long-term contracts, thus stabilizing its cash flows. Supported by these steady cash flows, the company has paid dividends uninterrupted for the last 66 years while raising the same over the previous 26 years at a compound annual growth rate (CAGR) of over 10%. Currently, the company pays a quarterly dividend of $0.835, with a forward yield of 6.71%.

Meanwhile, Enbridge has planned to invest around $17 billion from 2021 to 2023, expanding its renewable and midstream assets. Meanwhile, the company has already invested $8 billion of it. These investments could increase the company's cash flows at a CAGR of 5-7%, thus allowing it to continue increasing its dividends in the future. Besides, the improvement in energy demand amid the easing of restrictions could also drive the company's financials in the coming quarters. So, I believe Enbridge would be an excellent addition to your portfolio in this volatile environment.

BCE

I have selected **BCE** (TSX:BCE)(NYSE:BCE) as my third pick amid the growing demand for faster and reliable internet service due to increased digitization. The company has accelerated its capital spending to expand its 5G service, fiber, and rural wireless home internet networks. Meanwhile, last month, the company acquired 271 new licenses by investing around $2.07 billion. These acquisitions could help the company expand its 5G service across the country. The company's management expects to provide 5G service to 70% of the Canadian population by the end of this year.

Besides, the improvement in economic activities and higher roaming revenue due to the easing of restrictions could boost BCE's financials in the coming quarters. Notably, the company also has a long history of paying dividends. Currently, it pays a quarterly dividend of $0.875 per share, with its forward yield standing at 5.35%. So, given its healthy growth prospects, steady cash flows, and excellent track record, I believe BCE could be a perfect buy for income-seeking investors.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

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