



4 of the Best All-Weather Dividend Stocks to Buy in September 2021

Description

Rising inflation and the resurgent coronavirus indicate that the volatility in the Canadian stock market could remain elevated. While wild fluctuations in the prices of top Canadian stocks could be worrisome, investors should stick to all-weather dividend-paying stocks for consistent returns.

Let's dig deeper into four such stocks that have shown resilience to economic cycles and have uninterrupted paid and raised dividends.

Fortis

Let's begin with **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) that has consistently delivered a stellar total shareholder return and increased its dividends for 47 consecutive years. Its low-risk rate-regulated assets generate robust cash flows that support its higher dividend payments. Notably, the company's high-quality portfolio of 10 regulated utility businesses suggests that Fortis's [payouts are very safe](#). Meanwhile, its focus on expanding and diversifying its revenues augur well for growth.

Fortis expects its rate base to increase at a compound annual growth rate (CAGR) of 6% through 2025, which indicates that its rate base could reach \$40.3 billion. Thanks to the rate base growth, Fortis projects its dividend to increase by 6% annually during the same period. Overall, I remain upbeat about Fortis's low-risk capital plan, rate base growth, and diversification initiatives. Furthermore, Fortis offers a decent dividend yield of 3.5%.

Bank of Montreal

Bank of Montreal's ([TSX:BMO](#))([NYSE:BMO](#)) performance is closely tied to the economic cycles. However, its strong credit quality and tight expense management continue to cushion its earnings, and in turn, its dividend payments. Its payout record stands at 192 years, the highest among any Canadian company. Furthermore, it has raised its dividend at a CAGR of 6% over the last 15 years and offers a yield of 3.5%.

I believe the Bank of Montreal's diversified business, strong credit performance, and efficiency improvements could drive high-single-digit growth in its earnings. Meanwhile, improving economic

environment and higher interest rates could accelerate its growth rate and drive dividend payments.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another reliable bet to generate [consistent returns](#) irrespective of the volatility in the market. The energy infrastructure giant's diversified cash flow streams and contractual framework drive its distributable cash flow per share. It's worth noting that Enbridge raised its dividend at a CAGR of 10% for more than two and a half decades. Further, it has been paying dividends for 66 years.

I expect the recovery in its mainline volumes and favourable energy outlook to support its revenues and cash flows in the coming years. Furthermore, the momentum in the core business, rate escalation, opportunities in the renewable segment, and strong secured capital program provide a solid foundation for future dividend growth. While its stock marked stellar recovery in the recent past, Enbridge's dividend yield stands at a juicy 6.7%.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is another low-risk stock to outpace the broader markets. Its power-producing assets are backed by long-term purchase agreements and generate predictable cash flows. Thanks to its high-quality assets and rate base growth, Algonquin Power & Utilities' earnings have grown at a healthy pace over the past decade and drove its dividend payments.

I believe its rate base growth, long-term contractual arrangements, strategic acquisitions, and growing capacity in the renewable segment position it well to deliver high-quality earnings and drive higher dividend payments. Algonquin Power & Utilities' dividends have increased by 10% annually in the last decade. Meanwhile, it could continue to grow at a similar pace in the coming years.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BMO (Bank Of Montreal)
7. TSX:ENB (Enbridge Inc.)
8. TSX:FTS (Fortis Inc.)

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