



3 Top Canadian Dividend Stocks to Buy Now and Forget About

Description

Valuations are sky high right now. Most investors already know that. However, looking at where some [dividend](#) stocks are trading at right now, one would think that valuations really aren't that high.

After all, many high-quality companies are still paying dividends well in excess of long-term bond yields. For income investors, that's a great thing.

As it turns out, there are a number of great options to choose from on the TSX. Here are two of my top picks right now in this regard.

Top dividend stocks: Algonquin Power

For 2021, **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) increased its dividend already by 10%. That's a great start for investors who'd bought earlier this year.

In the years to come, more dividend hikes are expected. After all, this company's revenue and cash flow growth is impressive. Investment in new capital-intensive projects is expected to pay out over time. Indeed, long-term investors must like what they see.

What I like in particular about Algonquin is where this company is investing its money. Indeed, Algonquin is now a growing player in renewables-oriented power. Over the past decade or so, Algonquin has made smart, well-timed bets on a surge in renewable energy demand. I think the company will be proven right, and investors stand to benefit from this strategy.

Enbridge

Sticking in the energy sector, one dividend stock that may be overlooked is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Indeed, that's not likely because of the company's yield. Currently, Enbridge stock [yields 6.6%](#). Compared to where bond yields are at right now, that's incredible.

I think that's incredible because of Enbridge's cash flow stability. As a pipeline operator, Enbridge can be well assured its cash flows will remain stable or grow over time. For investors, this provides a bond-like yield that's extremely attractive.

Additionally, Enbridge's size is worth noting. The fact that the company transports 20% of the consumed gas in the U.S. and a quarter of the produced oil in North America makes this one of the top dividend stocks in terms of scale on this list. Additionally, Enbridge's fast-growing green energy assets provide a growth thesis to this stock I think is overlooked.

SmartCentres REIT

The real estate sector has been one that's been red hot of late. However, for retail-oriented stocks such as **SmartCentres REIT** ([TSX:SRU.UN](#)), perhaps not so much.

That said, this company's blue-chip clientele has also provided extremely stable cash flows over time. This has allowed SmartCentres to consistently pay its monthly dividend for more than 12 years. This includes the crisis periods of 2009 and 2020.

I like that.

I also like the fact that SmartCentres is working on building out its multifamily portfolio. Under the company's Smart Living banner, SmartCentres plans on bringing a tremendous amount of supply to markets with high demand. That seems like a recipe for success to me.

CATEGORY

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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Author

chrismacdonald

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