The 3 Best Dividend Stocks to Own for the Rest of 2021

Description

The **S&P/TSX Composite Index** fell 72 points to close out the week on September 10. There may be some anxiety bubbling among Canadian investors ahead of the September 20th federal election. Moreover, volatility has increased in the latter half of the summer. In this environment, investors may want to protect their portfolios. Today, I want to look at three top dividend stocks that are worth holding in 2021 and beyond.

Why I'm hanging onto this dividend stock for the rest of the 2020s

Fortis (TSX:FTS)(NYSE:FTS) is a St. John's-based utility holding company. Shares of this dividend stock have climbed 11% in 2021 as of close on September 10. However, the stock has fallen marginally over the past month.

Investors got a look at Fortis's Q2 2021 results in late July. Net earnings fell $21 million from the prior year to $253 million. This decline was primarily due to dollar exchange rates that negatively impacted the company's bottom line. Excluding the impact of foreign exchange, Fortis's net earnings rose $17 million, or $0.04 per common share, from the same period in 2020.

Fortis has delivered 47 consecutive years of dividend growth. Its aggressive capital plan aims to grow its rate base and support 6% annual dividend growth through 2024. That means Fortis is on track to becoming a Dividend King, having delivered at least 50 consecutive years of dividend growth. The dividend stock currently offers a quarterly distribution of $0.505 per share, which represents a 3.4% yield.

This dividend stock offers superior income

Enbridge (TSX:ENB)(NYSE:ENB) is a heavy hitter on the TSX and one of the largest energy and utility companies on the planet. Last November, I'd discussed why this dividend stock was worth trusting for the long term. Its shares have climbed 23% in the year-to-date period.

In Q2 2021, the company beat estimates, as it delivered adjusted earnings of $1.36 billion, or $0.67 per share. This was largely due to improved oil volumes that rebounded on the back of surging demand. Canada's broad economic recovery has continued to give a boost to Enbridge and its peers. Better yet, high vaccination rates have thus far prevented any major setbacks when it pertains to the ongoing reopening.

Enbridge offers a quarterly distribution of $0.835 per share. That represents a tasty 6.6% yield. Moreover, this dividend stock possesses a favourable price-to-earnings (P/E) ratio of 16.

Seek exposure to green energy and gobble up dividends with this stock

TransAlta Renewables (TSX:RNW) is the third and final dividend stock I want to focus on today. Back in March, I'd suggested that investors should get in on green energy equities. This Calgary-based company develops, owns, and operates renewable power-generation facilities. Its stock has dropped 11% in the year-to-date period.

The company unveiled its second-quarter 2021 results on August 10. Unfortunately, weaker-than-expected results led TransAlta to downgrade its guidance. I'm still bullish on the company for the long haul. Its earnings are on track for steady and solid growth going forward.

Shares of this dividend stock last had a P/E ratio of 39. Still, the stock is in solid value territory relative to its industry peers. TransAlta last paid out a monthly distribution of $0.078 per share. This represents a solid 4.6% yield.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:RNW (TransAlta Renewables)

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