3 Under-$50 Canadian Dividend Stocks I'd Buy to Retire Early

Description

It's always a good idea to start planning for your retirement early. This way, you not only get time to start saving money for your retirement but also can invest your hard-earned money in some fundamentally strong stocks for the long term so that the return you get on your investment could help you retire earlier than you expected. In this article, I'll highlight three of the best Canadian dividend stocks that could help Motley Fool investors retire early. All three stocks are trading in the $40-$50-per-share range right now.

Labrador Iron Ore Royalty stock

Labrador Iron Ore Royalty (TSX:LIF) is a Toronto-based firm that owns more than 15% interest in Iron Ore Company of Canada (IOC) — one of the top iron ore concentrate and iron ore pellets producers in the country. LIF's solid revenue and earnings growth and excellent profitability are a reflection of IOC's consistently expanding operations. This consistent growth is one reason why Labrador Iron Ore stock has yielded solid double-digit positive returns for investors in five out of the last six years.

LIF stock has risen by 28% in 2021 so far to $41.86 per share. The stock currently offers an eye-popping dividend yield of around 13%. Motley Fool investors — with retirement in mind — can buy this high dividend stock right now to get ready for their early retirement.

Canadian Natural stock

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) has been among one of the top-performing Canadian energy stocks this year. After losing nearly 27% of its value, the stock has risen by 46% this year so far to $44.51 per share.

The recent growth trends in Canadian Natural's revenue, earnings, and profit margin clearly reflect its stellar post-pandemic financial recovery. After the recent rally in commodity prices, the company has increased its capital budget for 2021 to actively invest in future growth opportunities. These investments are likely to boost its long-term growth outlook and keep its stock soaring in the coming years.

Canadian Natural stock currently has an attractive dividend yield of more than 4%. Notably, in the five years between 2015 and 2020, its dividend per share rose by 85%. Also, CNQ's robust business model, quality assets, and strong free cash flow make its stock worth buying for Canadian dividend investors who want to grow their saved money for early retirement.

Pembina Pipeline stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another market leader in the Canadian energy infrastructure and logistics space. Currently, the company has a market cap of $22.2 billion, as its stock trades at $40.34 per share. The stock has outperformed the broader market this year. It has risen by 34% compared to a nearly 19% rise in the **TSX Composite Index**.

Pembina's decades-long track record of delivering excellent value to investors through market cycles makes it one of the most reliable TSX stocks to buy for your retirement planning. I expect the company's solid profitability, strong financial outlook, and consistent earnings growth to help its stock yield solid returns in the long term. Moreover, Pembina Pipeline stock has a handsome dividend yield of 6.3%, which should let you generate consistent income, even in difficult economic times.

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:LIF (Labrador Iron Ore Royalty Corporation)
5. TSX:PPL (Pembina Pipeline Corporation)

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Date
2025/07/20
Date Created
2021/09/16
Author
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