



2 Top Canadian Dividend Stocks to Add Today for Yield

Description

Investing in [dividend](#) stocks of the highest quality can be an ideal solution for investors who are looking to add defensiveness to their portfolio. Moreover, income-paying equities can provide individuals approaching retirement with an important additional source of income. I'll be discussing two excellent dividend stocks that have been on my radar for quite some time.

Top dividend stocks: Enbridge

When it comes to dividend stocks falling under the large-cap category, there's hardly a better option than **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). By buying shares of this pipeline operator, investors can get a substantial [yield of more than 6.5%](#). While this eye-popping yield might be concerning for some individuals, investors should note that Enbridge has always paid out big dividends. Indeed, this is a result of the company raising its dividend aggressively every year.

Recently, Enbridge revealed that it would be taking measures to reduce its debt burden and improve its balance sheet. Also, it will continue to raise its dividend on an annual basis. That said, the dividend hikes will be limited to 3% only for the forthcoming few years.

Enbridge will utilize the excess cash it generates to reinvest in vital projects and fund balance sheet improvement measures. This is something that should interest long-term investors. Moreover, after completion of Enbridge's Line 3 project later this year, the company's cash flows will receive a massive boost. Accordingly, I think that this stock might be the only growth play remaining in the pipeline space. At the same time, Enbridge remains one of my top dividend picks.

Bank of Nova Scotia

For investors seeking income plays in the banking space, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) remains an excellent option. At the time of writing, this company offers a dividend yield of 4.6%, which is the highest among its competitors. Also, considering where bond yields are right now, this is quite attractive for investors.

In the latest quarter, Scotiabank posted impressive earnings, which represented the strength of its core operations. It recorded nearly 200% growth in profit on a year-over-year basis. Indeed, this bank appears to be well positioned from a liquidity standpoint. Moreover, with the company having an equity tier one ratio of 12.3%, dividend hikes might be on the horizon. Accordingly, income investors have a lot to like right now.

Scotiabank has a stellar balance sheet and impressive capital ratios. Moreover, its recent earnings growth is hard to ignore. Accordingly, I think this stock is an option worth considering for long-term investors seeking dividend stocks.

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