



Passive Income in Canada: 3 Top Dividend Stocks to Buy Today

Description

There's no shortage of top dividend stocks for Canadians to invest in. Whether you're looking for a high yield or a dependable payout, the **TSX** has you covered.

You don't even need to necessarily choose between a high yield or a dependable payout. As you'll see on this list of top dividend stocks, [Canadian investors](#) are able to invest in Dividend Aristocrats with incredibly long payout streaks that also own impressive yields.

Don't assume that high-yielding dividend stocks aren't able to generate market-beating growth, either. While Dividend Aristocrats tend to be more mature slower-growing companies, that doesn't mean that [market-beating growth](#) is out of the question.

For anyone looking to build a passive income stream, these three [dividend stocks](#) should be at the top of your watch list right now.

Dividend stock #1: Algonquin Power

Even though I'm predominantly a growth investor myself, **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is near the top of my watch list.

At today's stock price, the company's annual dividend of \$0.85 per share yields 4.4%.

If passive income is your main goal, Algonquin Power is a solid choice. But for me, it's what comes with that impressive dividend that has the stock on my radar.

Utility companies are known to be low-volatility investments. Since revenue streams tend to be fairly predictable for these types of companies, it keeps the stock price stable.

As a growth investor, it's always valuable to have reliable stocks to balance out the high-risk picks in your portfolio.

Another reason that any Canadian investor would want to have Algonquin Power on their watch list is for growth. And given that it yields above 4%, the dividend stock's returns in recent years are that

much more impressive.

Shares are up close to 70% over the past five years, not including dividends compared to the **S&P/TSX Composite Index's** return of just 40%.

Algonquin Power's growing renewable energy part of the business has me betting that the market-beating returns won't be ending anytime soon.

Dividend stock #2: Telus

Next on my list is another high-yielding dividend stock with market-beating growth potential.

Shares of **Telus** ([TSX:T](#))([NYSE:TU](#)) may have lagged the market in recent years, but I think that could change over the next decade.

Many stocks stand to benefit from the expansion of 5G technology. Investing directly in telecommunication stocks is certainly one way to invest in that growth.

Growth potential aside, Telus owns a top dividend that passive income investors won't want to ignore.

Just like Algonquin Power, Telus' dividend is yielding 4.4% at today's stock price.

Dividend stock #3: Bank of Montreal

If you're building a passive income stream, at least one Canadian bank should be on your radar. The Big Five own some of the longest dividend payout streaks on the TSX. You might sacrifice some returns on the yield but you'll earn a dividend that you can count.

Bank of Montreal's ([TSX:BMO](#))([NYSE:BMO](#)) dividend yields just shy of 3.5% at writing. It trails the first two stocks on this list but it makes up for that in another area. The Montreal-headquartered bank has been paying a dividend to its shareholders for close to 200 years.

If a passive income stream that you can count on quarter after quarter is your main goal, BMO would be one of my top picks on the TSX.

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TICKERS GLOBAL

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2. NYSE:BMO (Bank of Montreal)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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