The 3 Best Solid Canadian Dividend Stocks I'd Buy in October

Description

Long-term investors often make the mistake of not investing a big part of their portfolio in dividend stocks. High-yielding dividend stocks help investors minimize risks to their overall stock portfolios and let them receive regular passive income. In this article, I'll highlight three of the best Canadian dividend stocks that I find worth buying right now as we enter October.

Enbridge stock

Enbridge (TSX:ENB)(NYSE:ENB) is undoubtedly one of the most reliable Canadian dividend stocks that one can buy today. This Calgary-based energy infrastructure company's pipelines transport roughly 25% of the total crude oil produced in North America and 20% of natural gas consumed in the United States.

That's why its 2021 earnings are expected to surpass its pre-pandemic earnings levels. Moreover, Enbridge's increasing focus on renewable energy could help it drive even higher growth in the coming years, as the demand for clean energy grows.

The ongoing trend in Enbridge's financials is pretty healthy. Its resilient cash flows and strong balance sheet allow the company to reward investors with handsome dividends. ENB stock has risen by nearly 25% this year so far and has a strong dividend yield of about 6.6%, making it one of the best high-dividend-paying Canadian stocks to buy in October.

Labrador Iron Ore Royalty stock

Labrador Iron Ore Royalty (TSX:LIF) stock offers an outstanding dividend yield of more than 16% at the moment. It's a Toronto-based company that owns more than 15% interest in the Iron Ore Company of Canada (IOC). IOC has about 1.2 billion tonnes of mineral reserves and nearly 1.8 billion tonnes of resources. These assets make it one of the top North American premium iron ore pellets and high-grade concentrate producers and exporters.

Labrador Iron Ore enjoys strong profitability due to IOC's strong competitive position and high margins. In the June quarter, iron ore prices skyrocketed to record levels due to limited seaborne iron ore supply, despite rising steel production amid reopening economies. As a result, the company's adjusted EBIT margin in Q2 expanded to 77.1% compared to 75% a year ago.

But iron ore prices have fallen sharply in the last few months after China upped its efforts to lower steel production. Following this, LIF stock lost nearly 28% of its value in Q3. Nonetheless, I expect the iron ore prices to stage a sharp recovery in the coming months, as rising economic activities across the world boost steel demand. That's one of the key reasons I expect Labrador Iron Ore stock really cheap right now for long-term investors who want to own some of the best high-dividend Canadian stocks.

Keyera stock

Keyera (TSX:KEY) could be another great Canadian dividend stock to buy today. This **TSX** energy stock pays monthly dividends to its investors and has a solid dividend yield of around 6% at the moment.

A recent sharp recovery in its financials from pandemic lows has helped its stock outperform the broader market by a wide margin this year. KEY stock has risen by 41% in 2021 compared to nearly 16% gains in the TSX Composite Index. Analysts expect Keyera's revenue to rise by 44.6% to $4.4 billion in 2021. I expect the company to easily exceed this estimate, as energy demand and oil prices continue to strengthen. Long-term investors who want to receive predictable monthly passive income can buy this amazing Canadian dividend stock in October.

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2. TSX:ENB (Enbridge Inc.)
3. TSX:KEY (Keyera Corp.)
4. TSX:LIF (Labrador Iron Ore Royalty Corporation)

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