



## 3 of the Best Canadian Dividend Stocks to Buy Right Now

### Description

Investing in dividend stocks is a great way to build a passive income stream. Luckily for [Canadian investors](#), the **TSX** is full of high-yielding dividend-paying companies.

Whether you're looking for a reliable payout or a top yield, you'll likely have a few choices for your portfolio. Even if you're looking to earn [market-beating growth](#) on top of a dividend, there are plenty of options for you.

Here's a list of three top picks that should be on any dividend investor's radar this month.

### Dividend stock #1: Algonquin Power

There are more reasons than one to have **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) on your watch list.

In addition to yielding close to 5%, the [dividend stock](#) can provide your portfolio with defensiveness, and it's no stranger to outperforming the Canadian market.

Utility stocks mostly play the role of defence in an investment portfolio. Due to the reliable nature of the utility industry, volatility tends to remain fairly low.

Utility companies may lag the market during bull runs, but they'll help keep your portfolio afloat during the inevitable downturns.

Where Algonquin Power separates itself from its peers is its exposure to the growing renewable energy space. That side of the business is one of the key reasons why the dividend stock has largely outpaced the **S&P/TSX Composite Index** over the past five years.

### Dividend stock #2: Sun Life

Insurance isn't any more exciting than the utility industry, but there's nothing wrong with boring if

earning passive income is your main objective.

At a market cap of \$40 billion, **Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) is the second-largest insurance provider in the country. It also has operations spread across the globe, most notably in Asia, where management is projecting lots of growth in the coming years.

At today's stock price, Sun Life's annual dividend of \$2.20 per share is good enough for a yield above 3%. It's no match for Algonquin Power's impressive yield, but there's another reason to have it on your radar today.

At a forward price-to-earnings ratio of 10, the dividend stock is trading at a bargain price today. At that kind of valuation, value investors may also be interested in picking up shares of this top insurance company.

## Dividend stock #3: Bank of Nova Scotia

If you're looking to invest in dividend stocks, at least one Canadian bank should be considered.

Once again, the big banks are definitely not the most exciting industry to be investing in, but it's been a dependable one for Canadian investors for decades.

The Big Five own some of the top yields and longest payout streaks on the TSX. Yielding upwards of 4%, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has the highest yield amongst the Big Five today.

The Canadian bank has been paying a dividend to its shareholders for more than 185 years. Not only that, but the Dividend Aristocrat is riding a 10-year streak of increasing its dividend.

Similar to Sun Life, Bank of Nova Scotia is very reasonably priced today, from a valuation perspective. While it's trailed the market's returns in recent years, based on its value today, I'm betting that we'll see the dividend stock return to outperforming the market over the next decade.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:SLF (Sun Life Financial Inc.)

### PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

#### **PP NOTIFY USER**

1. arosenberg
2. ndobroruka

#### **Category**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

#### **Date**

2025/08/17

#### **Date Created**

2021/10/12

#### **Author**

ndobroruka

default watermark

default watermark