



The 3 Best Canadian Dividend Stocks to Buy With \$1,000 Now

Description

When the TSX snapped its seven-month winning streak last month, many thought it would be downhill from there. Canada's primary stock market index posted a new record high on October 15, 2021, pushing its year-to-date (YTD) gain higher to 20.05%. Investors didn't expect the index to display resiliency, so they were surprised by the hot start in Q4 2021.

The environment has become very conducive to investing, with 10 of the 11 primary sectors in positive territory. Also, the energy (+73.72%), real estate (+27.48%), and financial (+26.07%) sectors are outperforming the broader market. If you have \$1,000 to invest, pick the top-performing [dividend stock](#) in each sector to build a well-balanced portfolio.

Growing dividends

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) advanced 6.87% in five days to close at \$66.39 in mid-October. Current investors are pleased because the YTD gain rose to 33.85% on top of the mouth-watering 5.24% dividend. The \$60.82 billion energy infrastructure company boasts high-quality assets that should endure for the long haul.

Its natural gas and oil & liquids pipeline network stretch 57,900 and 3,000 miles. The power & storage segment has seven power-generation facilities (combined capacity of 4,200 megawatts) that serve around four million homes. TC Energy's vast geographic diversity is its competitive advantage.

However, the most compelling reason to invest in this energy stock is the 21 consecutive years of dividend increases. A new growth catalyst is a strategic collaboration with Nikola. The partners will develop, construct, and operate a critical hydrogen infrastructure for hydrogen-fueled zero-emission heavy-duty trucks.

High-flying REIT

Nexus ([TSX:NXR.UN](#)) is the top choice if you seek exposure to the real estate sector. Real estate

investment trusts (REITs) are [popular with investors](#) for their dividends. However, you will seldom see a high flyer from the real estate sector. At \$13.45 per share, Nexus's trailing one-year price return and YTD gain are 100.15% and 83.09%.

This \$589.58 million REIT pays an attractive 4.76% dividend, too. Currently, its real estate portfolio (93 income-producing assets) consists of industrial (62%), retail (24%), and office (14%) properties. Note the composition leans toward the in-demand industrial properties, because Nexus is primarily a growth-oriented, industrial-focused REIT.

For Nexus, the business performance reflects in the stock's performance. In the first half of 2021, net rental income and net & comprehensive income increased 16.38% and 196.06% compared to the same period in 2020. It also acquired nine industrial properties during the quarter.

The Big Six's top performer

National Bank of Canada ([TSX:NA](#)) is a rational choice, given its steady showing throughout the pandemic. The stock's 45.5% YTD gain is [tops among the Big Six banks](#). At \$101.85 per share, Canada's sixth-largest bank pays a 2.79% dividend. The yield is modest compared to its bigger industry peers, but the dividends should be super safe due to the 34.93% payout ratio.

A changing of the guard will happen on November 1, 2021, when National Bank's CEO Louis Vachon steps down. COO Laurent Ferreira will be his successor. Vachon held the position for 14 years, and it was under his leadership that the stock soared by as much as 200%. Ferreira held several positions but is chiefly responsible for the bank's digital transformation.

Power of compounding

A \$1,000 capital is enough to kickstart your dividend investing activity. The money will compound and swell over time if invested in the best dividend stocks of 2021.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:NA (National Bank of Canada)
3. TSX:NXR.UN (Nexus Real Estate Investment Trust)
4. TSX:TRP (TC Energy Corporation)

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