2 Reliable Dividend-Growth Stocks to Buy Today

Description

Despite the wide range of uncertainties and questionable valuations in some of the market's fastest-running names, there remain many dividend-growth stocks that represent great buys today. Indeed, the correction looks to be off the table, as the **TSX Index** looks to regain its footing for the next sustained march higher. Undoubtedly, the price of admission into many top dividend growers has gone up. Still, many have gone up for very good reasons: their businesses are starting to pick up traction!

In this piece, we'll have a look at two reliable TSX stocks that may very well be equipped to raise their dividends at a quicker pace over the next three to five years. Consider **CN Rail** (TSX:CNR)(NYSE:CNI), which popped after earnings this week, breaking out to a new all-time high and **Nutrien** (TSX:NTR)(NYSE:NTR), a fertilizer kingpin that's also poised to add to its gains into year-end, thanks to a more favourable macro backdrop.

CN Rail

It's been a bumpy ride for CNR shareholders over this past year. Whether we're talking about the bidding war or activist investor pressure to switch up the CEO, it's been nothing short of a turbulent year. That said, if you stood by the name despite all the uncertainties, both company-specific and COVID-related, you did extraordinarily well. The company posted strong third-quarter numbers this Wednesday, with profits blasting off to just shy of $1.7 billion. Indeed, the quarter makes up for prior quarters that were nothing to write home about.

With J.J. Ruest poised to retire, activists look to be getting what they want going into the new year. Whether industry veteran Jim Vena gets the job remains to be seen. Regardless, things are finally starting to look up for the Canadian rail giant, as it moves on from past woes and a failed bid for Kansas City Southern, a deal that may have been a tad too expensive to lift CNR stock to where it is today.

Despite surging to $164 and change, the stock still seems undervalued, given the potential freight surge that may be on the horizon. Once supply chain disruptions and COVID concerns wind down, CN

Rail could stand to be a major beneficiary, and that warrants the 24.8 times earnings multiple on shares. As earnings pick up, so too will the dividend, which currently yields a nice 1.5% at writing.

Nutrien

Nutrien is another dividend grower in the works. Shares have done remarkably well this year, rising 37% year to date. Undoubtedly, favourable commodity price moves, which were a long time coming, gave the agricultural commodity giant a much-needed boost after years of big ups and downs. The $50 billion company isn't nearly as cheap as it once was, but should agro commodity prices remains elevated, Nutrien will benefit accordingly.

Indeed, the long-term secular trend in the need for higher crop yields to feed a growing global population is still at play. The 2.7% yield may be on the small side historically, but it's equipped to grow at a nice rate moving forward into what could be the early innings of a Roaring 20s environment. Even if agro prices slip, Nutrien's robust retail business will keep it going resilient until the next big boom.

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