



3 Top Passive-Income Stocks to Buy Now

Description

If you want to make passive income with stocks, **National Bank of Canada** ([TSX:NA](#)), **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), and **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) are among the best. These three top [dividends stocks](#) will provide you with a safe and consistent passive income.

National Bank of Canada

National Bank of Canada is a Canadian bank headquartered in Quebec. It is Canada's sixth-largest bank in terms of market share. However, the banking sector has had a difficult year due to concerns over COVID over asset quality. As a result, the bank was forced to create large loan-loss reserves. Fortunately, the outcome was much better than expected, and banking sector stocks rebounded as reserves reversed. The bank's stock is up more than 40% year to date.

The bank is particularly well positioned due to its focus on capital markets and wealth management. Since the initial shock of the pandemic, the stock market has been booming due to inflation, rate cuts, excess liquidity and cheap debt.

In the third quarter, the bank outperformed analysts' forecasts with revenue of \$547 million (up 21% YoY) and EPS of \$2.36 (up 42% YoY). National Bank of Canada has a dividend yield close to 3%. The bank has paid dividends consistently over the past 10 years, growing 8.5% annually over the period. In the first quarter, the bank has a payout ratio of 35%.

Fortis

Fortis is a Canadian natural gas and electricity company. The company has gas and electricity transmission assets throughout North America. Most of the company's assets are in a regulated space, which means revenues are stable.

Fortis is present in many different regions including British Columbia, Arizona, Alberta, Newfoundland, New York, Ontario, the Caribbean, and Prince Edward Island. Given Canada's inhospitable climate,

the company has a very stable demand for natural gas for cooking and heating.

In the second quarter, Fortis reported earnings of \$0.54 per share — a decrease of \$0.05 from a year ago. However, the real deciding factor in Fortis's favour is its extraordinary dividend history. The company has a 47-year dividend payout and growth history. Fortis's average annual dividend-growth rate is 6%, and the stock offers a dividend yield of 4%. Fortis's payout ratio is 75%. The company has [forecast dividend growth of 6% to fiscal year 2025](#). The stock is up nearly 10% year to date.

Given the stable nature of its business and its awesome dividend history, Fortis is an excellent option for those [seeking a stable passive income](#).

Shaw Communications

Shaw Communications is a desirable choice in the dividend investment space dominated by power and utility companies due to the importance of communications and the internet to future economic growth. Data consumption will explode over the next decade with the increasing digitization of businesses and services and the consumption of digital content. Therefore, in the years to come, the internet will most certainly become necessary for everyone, making this activity non-discretionary.

Shaw is one of the largest network companies in Canada and a major player in residential communications services. It has over 860,000 kilometres of broadband optical fiber reaching 55% of the Canadian population. Shaw provides broadband, Wi-Fi, digital phone, satellite TV and content services to its seven million customers. The company derives 78% of its revenues from fixed services and the rest from mobile services.

In the third quarter, consolidated revenue increased by 4.8% to \$1.38 billion and net income increased 92.4% to \$354 million (\$0.71 per share).

Shaw Communications has had a stable dividend-payout history over the past 20 years and has increased its dividends by 3.6% per year during that time. Shaw Communications stock has risen by approximately 40% year to date and has 3.3% dividend yield.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:NA (National Bank of Canada)
5. TSX:SJR.B (Shaw Communications)

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Date

2025/10/02

Date Created

2021/10/22

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