



4 Top Dividend Stocks for Stable Passive Income

Description

Amid investors' optimism over improving corporate earnings, the Canadian equity markets have continued their uptrend and are trading close to their all-time highs. Meanwhile, rising inflation and expensive valuation are a cause for concern. So, it is prudent to strengthen your portfolios with a few high-quality [dividend stocks](#). Meanwhile, here are four top dividend stocks you can buy right now.

NorthWest Healthcare

With a dividend yield of close to 6%, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) would be [an excellent buy for income-seeking investors](#). The REIT enjoys high occupancy and collection rate due to its highly defensive healthcare portfolio spread across seven countries. Besides, the company's long-term contracts, government-backed tenants, and inflation-indexed rent deliver stable and predictable cash flows, thus permitting the company to pay dividends at a healthier yield.

Apart from organic growth, NorthWest Healthcare also focuses on acquiring strategic assets to drive growth. Since April 1, the company has acquired \$321 million of assets. The company looks to acquire Australian Unity Healthcare Property and has [around \\$1 billion projects under development](#). So, these investments could allow the company to continue paying dividends at a healthier yield.

Bank of Scotia

Amid improving economic activities and the long-term global economic growth outlook remaining strong, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) would be an excellent buy right now. The easing of restrictions and economic expansion could drive credit growth, benefiting the company. Given its significant exposure to high-growth markets, the company is well-equipped to capitalize on the improving trends. Also, its growing non-interest income, acceleration in digital banking, and improving operational efficiencies could boost its financials, thus allowing the company to continue with its dividend growth.

Meanwhile, the Bank of Nova Scotia has an excellent track record of rewarding its shareholders by

raising its dividends consistently. Over the last 45 years, it has increased its dividends 43 times. Currently, its forward yield stands at an attractive 4.35%. Besides, the company trades at an attractive forward price-to-earnings of 10.4.

Algonquin Power & Utilities

My third pick would be **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which has raised its dividends by over 10% every year for the last 11 years. The company operates low-risk utility assets and regulated renewable power-producing facilities, which generate predictable cash flows, thus raising its dividends consistently. It currently pays a quarterly dividend of US\$0.1706, with its forward yield standing at 4.51%.

Meanwhile, Algonquin Power & Utilities has planned to invest around \$9.4 billion from 2021 through 2025, growing its rate base. Along with these investments, the solid underlying business and strategic acquisitions could boost the company's financials in the coming quarters. So, I believe Algonquin Power & Utilities's dividends are safe.

Keyera

My final pick would be **Keyera** ([TSX:KEY](#)), which has witnessed a strong buying this year amid rising oil prices and recovery in the energy sector. The company's stock price has increased by over 70% for this year, comfortably outperforming the broader equity markets. Despite the surge, Keyera still trades at an attractive forward price-to-earnings multiple of 17.2.

Meanwhile, many analysts are bullish on crude oil and predict oil prices to remain at elevated levels for some time, benefiting Keyera. The company started operating Wildhorse crude oil storage and blending terminal in July, increasing its storage capacity by 4.5 million barrels.

Also, it is constructing a KAPS pipeline project, which will become operational in 2023. So, given its attractive valuation and healthy growth prospects, Keyera would be an excellent buy. The company also pays a monthly dividend of \$0.16 per share, with its forward yield standing at 6.1%.

CATEGORY

1. Bank Stocks
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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:KEY (Keyera Corp.)
6. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Date

2025/07/21

Date Created

2021/10/25

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