2 Top Canadian Dividend Growth Stocks to Buy and Watch This November

Description

Dividend growth stocks are a perfect option for long-term investors who are more than willing to stick it out through the turbulent times that inevitably strike. Undoubtedly, firms with a track record of growing dividends at an above-average rate can help propel one to a rich retirement down the road. So, anytime they dip modestly, investors should feel compelled to initiate a position, top-up, or even double down.

In this market, where investors still seem more than willing to pay a hefty premium for growth, some of the best Canadian dividend-growth stocks look to be relative bargains.

Sure, dividend-growth stocks like **TD Bank** (TSX:TD)(NYSE:TD) and **Alimentation Couche-Tard** (TSX:ATD.B) aren't the most exciting in the world, but what they lack in excitement, they more than make up for in terms of predictable growth. Although both firms are within traditionally low-tech industries (banking and convenience retail, respectively), they have both shown more than just a willingness to adapt to the times.

In fact, each company has proactively put considerable investments into intriguing technologies to help them thrive in a world where next-generation technologies are heavily involved in just about everything.

The top Canadian dividend growth stocks look good heading into November

Undoubtedly, ignoring technological advancements is a mistake, regardless of the industry. It's a powerful force that, when leveraged properly, can help a traditional firm gain an edge over the competition. Indeed, leveraging tech can unlock new growth pathways. Such amped-up growth can lead to more generous dividend growth rates, improving the overall value proposition for investors.

Who knows? Perhaps each firm warrants a degree of multiple expansion as a result of continued growth and adaption in the new age of tech. In any case, both names seem far too cheap as we end October without the much-anticipated correction that many were so confidently calling for over the past several weeks.

Without further ado, let's have a closer look at the two great dividend-growth stocks to see which, if either, is worth checking out heading into November 2021.

TD Bank

TD Bank is one of the better dividend-growth stocks on the **TSX**. With shares trailing most of its peers in the Big Six, now looks to be a great time to scoop up more shares ahead of improving macro conditions for the financials. Historically, TD stock tended to command a very slight premium to its peer group. These days, though, there's a modest discount on shares. At just north of 10.5 times trailing earnings, TD stock may very well be one of the biggest bargains in the broader basket of Canadian blue chips.

Once the banks get approval to raise their dividends, TD could be equipped to hike its payout at the quickest rate, as it looks to storm out of the gate. In any case, I think income-savvy investors should carefully consider the name before it takes steps to regain its lead. In terms of relative performance, TD may very well be poised to outpace the pack in 2022.

Alimentation Couche-Tard

Couche-Tard is a c-store retailer that's more innovative than you think. The firm is testing out a new model over at McGill University, and early signs show the model is something similar that people can expect in the near future. Undoubtedly, electric cars are coming, and Couche-Tard can't rely on fuel sales forever. And it doesn't have to, as its merchandising business has been incredibly robust over the past three years.

As the firm embraces tech and looks to adapt to the new age, investors would be wise not to ignore the name while it trades at 16.1 times trailing earnings. That's way too cheap for a dividend grower that's more than capable of raising its payout in the high double-digit range annually.

The dividend isn't huge by any stretch of the imagination at just 0.7%. Still, for investors willing to hold for decades, the firm can grow into a sizeable passive income generator at this pace. In any case, Couche-Tard looks severely undervalued and primed to bounce back as investors reconsider growth/value combos over pure, high-multiple growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

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. joefrenette

Category

1. Investing

Date
2025/08/20
Date Created
2021/10/26
Author
joefrenette