



The 2 Best Canadian Dividend Stocks Up Over 13% in 2021

Description

Investors seeking the best Canadian dividend stocks this year have a few things in mind. Of course one of those things has to be a solid and stable dividend yield. But these days Motley Fool investors also want growth both in a company's dividend and in its shares.

So today I'm going to look at the best Canadian dividend stocks that have seen double-digit growth in 2021. Furthermore, each may be in store for a dividend boost, as well as further share [growth](#).

Royal Bank

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank by market capitalization at \$188 billion. The Big Six Bank has seen solid growth thanks to its presence in [emerging](#) markets, growth in the United States, and wealth and commercial management.

Royal Bank stock remains one of the best Canadian dividend stocks to buy thanks to how it managed the pandemic. The bank came out strong, and in better shape, than many analysts thought it would. This was helped by the strong Canadian housing market, a rebounding American economy, low mortgage rates, and a swell of consumer interest.

Now, Royal Bank of Canada sits on a pile of cash that it needs to spend, and that's likely to go toward raising its dividend. The ban on increasing dividend payouts is coming to an end, and executives at the major banks stated they will likely want to play catch up, hiking the dividends at a rapid pace. This could lead to strong double-digit increases, making Royal Bank one of the best Canadian dividend stocks you'd want right now.

So even though Royal Bank stock trades near all-time highs at \$132 as of writing, it remains undervalued. In fact, you can pick it up at a cheap P/E ratio of just 12.43.

Shares are up 28% in 2021 alone, and it offers a dividend yield of 3.26% as of writing. That's likely to rise significantly when earnings come out on Dec. 1.

Manulife

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is one of Canada's largest asset managers with a market capitalization of \$49.65 billion. The company is one of the best Canadian dividend stocks to buy based on its diverse portfolio as well as a strong balance sheet. It [continues](#) to have investments in everything from big banks to agriculture. And it recently reported strong earnings that included a dividend increase.

Honestly, Manulife gave an insider look as to what Motley Fool investors should suspect from some of the best Canadian dividend stocks. The company raised its dividend by a whopping 18% and intends to buy back 2% of outstanding shares under a repurchase program.

This goes to show that Manulife made smart investments during the pandemic with a resilient portfolio that will continue to support growth for shareholders. It recently reported solid third-quarter results of \$1.6 billion in net income, though it was just shy of earnings per share estimates.

It's this last point that likely has kept investors from buying up the stock in bulk. But that's what makes it a great deal right now. Manulife stock trades at \$25.50 as of writing with a P/E ratio of just 7.52! And with operations expanding globally, there is a strong outlook for 2022 and beyond.

Shares of Manulife stock are up 13% in 2021 alone, and it offers a dividend yield of 4.34% as of writing.

The bottom line on the best Canadian dividend stocks

There are some dividend stocks out there that may offer higher growth. But these are the best Canadian dividend stocks because they offer *stable* growth in the double digits. Further, each one has plans to increase or has already increased its dividend in the double digits. Not just this year, but for the next few years to play catch-up. So Motley Fool investors can put their cash to work with Manulife and Royal Bank today.

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2. Investing

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2. NYSE:RY (Royal Bank of Canada)
3. TSX:MFC (Manulife Financial Corporation)
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