



3 Canadian Dividend Stocks That Are Practically Money Machines

Description

If you're looking for a high-quality Canadian dividend stock to buy, some of the best businesses are mature blue-chip companies with long-life assets that earn a tonne of cash flow.

When you find businesses that earn tonnes of cash, not only are they highly resilient during slowdowns in economic activity, but these stocks aren't that volatile.

Investors know what they are getting with a high-quality, blue-chip stock and are less likely to sell them off during market pullbacks which is why they are much less volatile than the rest of the market.

So if you're looking for a high-quality dividend stock to buy today, here are three cash cows that are excellent investments to commit to for the long haul.

A top Canadian telecom stock

Some of the best cash cows and Canadian dividend stocks that are worth a long-term investment are massive [blue-chip stocks](#) with operations at the heart of the economy. That's why a top telecom stock like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the largest in Canada, is such a great stock to buy and hold for the long run.

Because BCE has tonnes of long-life telecom assets all across Canada, the company earns a tonne of cash flow from its operations. For example, when the pandemic hit, BCE's services are so defensive with high-quality assets, there was never any question that it would continue to pay a dividend through the pandemic.

What BCE *did* have was the flexibility to slow down its capital expenditures if need be. That's the advantage of cash cows.

BCE is in such an excellent position that management decided not to slow down its spending on growth, which is excellent for investors as its growth strategy and investments have remained on track.

Today the stock's consistently growing dividend has a yield of 5.4%. So if you're looking for a high-quality Canadian dividend stock that can consistently earn tonnes of cash, BCE is one of the best in Canada.

A top Canadian energy stock for dividend investors

Another top Canadian dividend stock that can earn tonnes of cash flow thanks to its highly resilient operations is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

While BCE owns telecom towers and other high-quality long-life assets at the heart of our economy, Enbridge owns pipelines and other energy infrastructure that's also crucial to our economy.

In fact, the company transports so much oil and natural gas that Enbridge's operations are crucial to the success of the North American economy, which is why it's such an excellent stock to own for the long haul.

In addition, it's also a high-quality Dividend Aristocrat with over 25 years of consecutive increases to the payout. Not only that, but today Enbridge stock yields an impressive 6.6%.

So if you're looking for a highly safe Canadian dividend stock that pays an attractive yield and increases its payout every year, Enbridge is one of the best stocks you can buy.

A high-potential utility stock with 48 consecutive years of dividend increases

Finally, if you're looking for an ultra-safe dividend stock that can generate a tonne of cash flow, consider a utility stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

[Utility stocks](#) are some of the most defensive businesses you can buy, and because the industry is regulated, these stocks can earn a tonne of cash flow on their assets.

In fact, if you want a Canadian dividend stock that you can count on and will increase its dividend every year, there might not be a more dependable stock in Canada than Fortis.

Its dividend is slightly lower than Fortis and BCE, at roughly 3.8%. However, it's a highly resilient investment with little volatility. Plus, it's increased its dividend for almost half a century and has guided to 6% annual dividend increases until at least 2025.

So if you're looking for a high-quality Canadian dividend stock that can earn your portfolio growing cash for years to come, Fortis is a top stock to consider.

CATEGORY

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