



## The 3 Best Dividend Stocks Canadians Should Buy for 2022

### Description

If Motley Fool investors thought 2021 was a good time to buy up dividends, just wait for 2022. That's what analysts are saying about dividend stocks that have been waiting in the wings to hike their dividends. So today, we're going to look at the three best dividend stocks Canadians should consider for 2022, and [beyond](#).

### Energy

The oil and gas sector continues to see positive [momentum](#) with rising oil prices. This sector alone will likely generate more than enough free cash flow to allow not just modest but stellar dividend hikes in 2022 and even into 2023. Analysts believe the average should reach an 8% hike in 2022, and 5% or higher in 2023.

If that's the case, there are several strong energy stocks, but I'd still consider **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) one of the best dividend stocks. Enbridge stock continues to see momentum in its revenue, with pipeline projects underway and new carbon capture projects moving towards new revenue streams. Yet it still has long-term contracts that will bring in cash for decades for Motley Fool investors.

It's very likely then that we'll see a double-digit dividend hike when Enbridge stock announces its earnings on December 7. Yet shares have dipped, down 9% from 52-week highs. So it's a great time to jump on one of the best dividend stocks for quick returns. Enbridge stock offers a dividend yield of 6.85% and trades at 16.95 times earnings.

### Banks

The Big Six Banks are due for their earnings reports this week, with analysts believing more positive news is in the works. Inflation is likely to be good for the banks, and an increase in global economic activity is definitely bound to produce good news for the banks.

But when it comes to dividend hikes, analysts believe one of the top banks to consider is the **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). BMO is set to release earnings on December 3, and it's very likely the bank will announce a major boost in dividend hikes. Its peers have already done so, with **Scotiabank** boosting its dividend by 11% as of writing! With BMO having even more room for a hike, it's a great time to buy the stock.

Shares are up 35% year to date, yet BMO stock and the other Big Six Banks remain undervalued. BMO currently is one of the best dividend stocks for Canadians to consider trading at 12.64 times earnings, and a dividend yield of 3.09%.

## Telecom

Another area where there's bound to be a [boost](#) is the telecommunications industry. This area had a major backlog of projects during the pandemic, with every one of them wanting to roll out 5G and wireline. But there's one that managed to get in before the shutdowns, and that's **Telus** ([TSX:T](#))([NYSE:TU](#)).

Telus stock is now one of the best dividend stocks because it already has the cash coming in to support growth. Telus stock added a record 320,000 new customers in the last quarter, and continues to attract new customers from its wireline network. It's now focused on a 5G rollout, making partnerships with major companies to see its service revenue climb. And with fewer restrictions, Telus stock is likely to only see more improvements in 2022.

That includes its dividend. Telus stock announced a dividend increase of 5.2% during its third-quarter but is likely to boost it again in 2022 by a significant amount. That makes it one of the best dividend stocks to date, combining growth and income especially as its capital expenditures decrease before 2023.

Shares of Telus stock are up 12% year to date, trading at 30.75 times earnings, so they're still fairly valued. Still, Motley Fool investors can pick up one of the best dividend stocks with a dividend yield of 4.46% today.

## CATEGORY

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
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