



3 Top Dividend Stocks to Buy in January 2022

Description

Neither Wall Street analysts nor investors can predict the stock market's performance in 2022. But income investors certainly won't be losing sleep opting for [dividend](#) stocks. There's little guesswork necessary with these stocks outside of external market forces that would impact the entire market.

Most high-quality dividend stocks are trading at favourable valuations to most other sectors. Here are three of my top Canadian picks for this year.

Top dividend stocks: Enbridge

One of the top dividend stocks I've been pounding the table on for some time is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). This diversified energy infrastructure company currently provides a [dividend yield](#) of 7%.

Indeed, given this relatively high dividend yield, some investors may be wary of Enbridge's long-term prospects. Higher-than-average yields are typically a sign that investors don't trust the cash flows of said company, and they may be pricing in a cut.

However, Enbridge is an energy company with a strong capital program, low-risk business model, and diversified cash flow streams. These factors make this Canadian Dividend Aristocrat one of my top picks.

As cash flows increase over time with the increased volume brought by the company's Line 3 expansion, I think Enbridge stock will get more love. Accordingly, I think 2022 could be a very good year for investors in this top dividend-paying gem.

SmartCentres REIT

In the real estate space, **SmartCentres REIT** ([TSX:SRU.UN](#)) has been one of the high-yield REITs I've been bullish on of late — and for good reason.

The real estate portfolio of SmartCentres REIT is anchored by some of the biggest retailers in the world. This model provides a level of cash flow stability other retail-oriented REITs simply don't have.

Additionally, SmartCentres's business model is becoming more diversified. The company's residential property portfolio, called its SmartLiving segment, has a number of high-quality properties located in urban centres like Laval, Ottawa, and Toronto.

SmartCentres REIT has shown resilience to macroeconomic crises in the past. This company maintained a stable dividend in the financial crisis of 2009 and the pandemic in 2020. Accordingly, even with the recent Omicron variant spreading, this 5.8%-yielding stock is one atop my watch list right now.

Algonquin Power

Last but not least, we have **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)). A top Canadian utilities company, Algonquin Power's 4.8% yield is one of the most attractive in the market right now, in my view.

That's because Algonquin's growth trajectory has been downright impressive. Double-digit cash flow growth in recent years has spurred a double-digit dividend-growth streak, which just hit 10 consecutive years. This Canadian Dividend Aristocrat could be perhaps the most overlooked among its peers.

The company's utilities portfolio provides significant cash flow stability. However, Algonquin's growing renewables business provides a unique growth angle with this utility. With operations spanning the U.S., Canada, and the globe, Algonquin has lots of room to continue to grow. The company's existing generating capacity of four GW is expected to grow significantly over the next decade, as the company reinvests in its core business.

More strategic acquisitions and investments are made possible by a strong balance sheet and a world-class management team. Thus, Algonquin Power is one of the best dividend stocks in the market right now, particularly for those looking for some element of defensive growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/22

Date Created

2022/01/03

Author

chrismacdonald

default watermark

default watermark