



2 Top Dividend Aristocrats to Buy This Week

Description

It's no secret that the stock market has been struggling so far this year. A week into the new year, the **TSX** has already fallen about 0.7%. Many investors are pointing to rising interest rates as a major reason for this dip. As a result of that news, growth stocks won't be able to borrow money as easily. This could lead to a much tougher time growing. Indeed, companies like **Shopify** and **Lightspeed** have seen much greater dips. Year to date, those two stocks have fallen 6.83% and 11.23%, respectively.

So, what can investors do? It's previously been shown that dividend stocks can weather market downturns more easily. Therefore, investors should turn towards [Dividend Aristocrats](#) at a time like this. Blue-chip companies that are able to pay reliable dividends are unlikely to need to borrow capital, so it should be business as usual for those companies. In this article, I'll discuss two top Dividend Aristocrats to buy this week.

Choose a stock from this company

Rising interest rates are actually good for the financial sector. In the past, rising interest rates have led to increasing profit margins for financial companies. It also tends to signal that the economy is recovering. Thus, consumers are more likely to go into business with financial institutions. As a result, banks are a great option to invest in. When considering that the Canadian banking industry is highly regulated, this makes the Big Five even more appealing to invest in.

Of the Big Five, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has long been my top pick. In terms of assets, Bank of Nova Scotia only ranks as the third-largest bank in Canada. However, that could change over the coming years. Unlike its peers, Bank of Nova Scotia has dedicated itself to international expansion. In fact, it's known as [Canada's most international bank](#). The company has more than 2,000 branches and offices across 50 countries.

One aspect of Bank of Nova Scotia's business that gives me a lot of interest is its exposure to the Pacific Alliance. It's estimated that a growing middle class in that region will lead to a faster-growing

economy than that of Canada and the U.S. over the coming years. As of this writing, Bank of Nova Scotia stock has gained 0.70%. That means that it has outperformed the broader market by about 1.5% in a span of a week.

This is a great company to hold

I write a lot about the Canadian railway industry. Like the Canadian banking industry, it's dominated by a very small group of companies. In addition to a very concentrated industry, there isn't really a true competitor threatening to disrupt the railway industry. As it stands, we don't have a way of transporting large amounts of goods over long distances if not via rail.

I believe both **Canadian National Railway** and **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) are excellent stocks to hold in your portfolio. However, as it stands today, Canadian Pacific may be the better one to hold. As of this writing, Canadian Pacific has gained 2.09% year to date. That greatly outperforms the broader market and its railway peer.

Canadian Pacific has done a great job of increasing its railway coverage over the past couple years. Its most notable acquisition was a US\$31 billion deal of **Kansas City Southern**. This deal makes Canadian Pacific the only railway company to operate a network that stretches from Canada, the United States, and Mexico. A newly minted Canadian Dividend Aristocrat, Canadian Pacific will be an interesting stock to watch over the coming year.

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