



2 TSX Utility Stocks With High Dividend Yields Above 4% to Buy Today

Description

When the stock market got choppy recently and all those high-growth, overvalued tech stocks took a tumble, investors fled to value stocks. These are [large-cap](#), [blue chip companies](#) with good balance sheets, strong cash flow, profitability, and ever-increasing dividends with a long, consistent payout history.

Fortunately for Canadian investors, our stock market is full of these heavy-hitters. Today I'll be profiling two top stocks from the utilities industry, a historically safe sector of the market that has delivered excellent dividend yields and growth over the last several decades.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets in Canada, the U.S., and internationally. It generates and sells electrical energy through both non-regulated renewable and clean energy power generation facilities.

AQN currently has a forward annual dividend yield of 4.72%, with a five-year average dividend yield of 3.60%, which is great compared to its peers. Besides from that, the company's revenues, earnings, and dividend payouts have grown consistently in the last decade, with its share price appreciating as well.

Technicals wise, AQN currently trades at around \$18, below its 52-week high of \$22.67. The stock has a five-year monthly beta of 0.20, making it significantly less volatile than the overall market. AQN is currently trading slightly above its 50-day moving average of \$17.77, but below its 200-day moving average of \$18.71, which could be a mixed signal.

Canadian Utilities

Canadian Utilities ([TSX:CU](#))([NYSE:CU](#)) provides regulated electricity transmission and distribution services in northern and central east Alberta, the Yukon, and the Northwest Territories; and integrated

natural gas transmission and distribution services in Alberta and Saskatchewan.

CU currently has a forward annual dividend yield of 4.92%, with a five-year average dividend yield of 4.57%, which is very impressive. CU has a long-standing history of consecutive dividend increases and payout streaks, making it a top Dividend Aristocrat to anchor your core portfolio holdings with.

Technical wise, CU currently trades at around \$36, close to its 52-week high of \$37.70. The stock has a five-year monthly beta of 0.34, making it a third as volatile than the overall market. CU is also trading slightly above both its 50-day and 200-day moving averages of \$35.72 and \$25.30, respectively, which could indicate an overall bullish trend.

The Foolish takeaway

[Dividend growth investors](#) chasing high yield should consider the Canadian utilities sector, in particular CU and AQN. These two stocks offer excellent fundamentals, substantial dividend yields, a long history of payments, consecutive increases, and good competitive advantages. Buying and holding these three stocks as the core of an income-oriented portfolio could be a winning strategy.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CU (Canadian Utilities Limited)

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