3 Top TSX Dividend Stocks to Buy Today

Description

The stock market hasn't performed very strongly thus far in 2022. However, not all stocks have been affected equally. It appears that fears surrounding a potential increase in interest rates have caused growth stocks to fall more heavily than dividend stocks. With the market starting to recover from a sluggish start, investors are starting to consider if it's time to start buying shares. In my opinion, it would be an excellent time to start buying shares of strong dividend companies. Here are three top **TSX** dividend stocks to buy today!

Buy the banks

The financial sector tends to succeed in high-interest environments. That's why bank stocks have been able to outperform the broader market this year. When considering that the Canadian banking industry is also dominated by five large companies, then the leaders in that industry become even more attractive right now. Of that leadership group of banks, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is my top pick.

What appeals to me about Bank of Nova Scotia is how diversified its business is. This company is known as Canada's most international bank, with 2,000 branches and office in 50 different countries. This means that if a certain region were to experience a period of economic uncertainty, Bank of Nova Scotia could continue to find success if the rest of its business stays strong. In addition, it's a solid Dividend Aristocrat. At its latest earnings report, the company announced an 11% increase in its dividend distribution.

This is a dominant company in a reliable industry

Investors should also consider buying shares of **Canadian National Railway** (TSX:CNR)(NYSE:CNI). It is the larger entity in the duopoly that dominates the Canadian railway industry. Canadian National is also the third-largest railway company in North America, with respect to annual revenue. What makes Canadian National even more attractive is the fact that there isn't yet a feasible way to transport large amounts of goods over long distances, if not via rail. That means the company could continue to see high demand for its services over the coming years.

Canadian National is an excellent dividend stock. It has managed to increase its distribution for the past 25 years. That makes it one of 11 TSX-listed companies to currently hold that distinction. Currently, investors are only offered a forward yield of about 2%. However, Canadian National's low payout ratio suggests that the company could continue to raise its distribution with ease over the coming years. This is a dividend stock that belongs in your portfolio today.

Invest in Canada's top dividend stock

Finally, **Fortis** (TSX:FTS)(NYSE:FTS) is a dividend stock that Canadians should greatly consider buying today. It is known as a recession-proof company. This means that Fortis normally doesn't experience any major slowdowns during periods of economic uncertainty. This characteristic may also explain why Fortis has been able to increase its dividends so consistently over the past five decades.

As of this writing, Fortis holds the second-longest active dividend-growth streak. It has raised its distribution in each of the past 47 years. Investors may notice that its payout ratio is a bit higher than what dividend investors should hope for. However, the company's long history of intelligent capital allocation should alleviate any doubt regarding Fortis's ability to continue raising dividends in the future.

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Date
2025/09/11
Date Created
2022/02/08
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