3 Dividend Stocks Worth Adding to Your Portfolio Right Now

Description

Although the easing of tension between Russia and Ukraine has brought much-needed relief to the equity markets, I expect the markets to remain volatile in the near term. So, given the uncertain outlook, investors should strengthen their portfolios with these three dividend stocks, which generate stable cash flows and pay dividends at healthier yields.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has been paying a dividend for the last 67 years while raising it for the previous 27 consecutive years. So, its track record looks solid. The company operates more than 40 diverse revenue-generating regulated assets, which generate stable cash flows irrespective of market conditions, thus allowing it to increase its dividend consistently. With a quarterly dividend of $0.86 per share, the company's forward yield stands at a juicy 6.54%.

Meanwhile, Enbridge has put around $10 billion of projects into service in 2021, which could boost its cash flows this year. The company's management expects to invest about $3-$4 billion annually over the next three years, expanding low capital-intensive and utility assets. Along with these investments, the increase in energy demand could boost the company's financials in the coming quarters. Meanwhile, its financial position also looks healthy, with its liquidity standing at $9.3 billion. So, I believe Enbridge could be a great buy in this volatile environment.

BCE

Given its new customer additions, robust cash flows, and healthy growth potential, I have selected **BCE** (TSX:BCE)(NYSE:BCE) as my second pick. Thanks to its capital-expenditure acceleration program, it recently surpassed one million wireless home internet locations one year ahead of schedule. This year, the company expects to add 900,000 more homes and businesses with direct fibre connections.

Further, the company had expanded its 5G service to cover 70% of the Canadian population.

Meanwhile, the company could further expand its reach to meet its customer needs. So, I believe BCE is well equipped to benefit from the rising demand for telecommunication services amid rising digitization. BCE's management expects its adjusted EPS to grow by 2-7% this year, while its free cash flows could increase by 2-10%.

Meanwhile, earlier this month, BCE's management increased its quarterly dividend to $0.92 per share, representing a 5.1% year-over-year increase. It was the 14th consecutive year of its above 5% dividend hike. Its forward yield looks attractive at 5.52%.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN), which has raised its dividend by over 10% annually for the last 11 consecutive years, is my final pick. It operates low-risk utility businesses and regulated renewable power-producing facilities, which generate substantial cash flows, allowing it to raise its dividend consistently. With a quarterly dividend of $0.2124, its forward yield stands at a healthy 4.80%.

Meanwhile, Algonquin Power & Utilities recently acquired New York American Water Company. Also, it is working on closing the acquisition of Kentucky Power Company and AEP Kentucky Transmission Company, which could be completed by mid-2022. Further, the company expects to invest around $12.4 billion, expanding its utility and renewable assets over the next five years. So, given its healthy growth prospects and strategic acquisitions, I believe Algonquin Power & Utilities is well positioned to continue its dividend growth.

CATEGORY

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2. NYSE:BCE (BCE Inc.)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)
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