



Stocks for Beginners: The 3 Best TSX Dividend Stocks to Buy Today

Description

As two stocks have different return potentials, their risk characteristics also differ. For example, growth stocks are relatively riskier and offer higher return potential. At the same time, defensive, dividend-paying stocks exhibit much lower price swings and make an apt proposition for conservative investors. Here are three TSX dividend stocks for long-term investors.

Fortis

Canada's top utility stock **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) pays stable dividends that yield 3.7%. Be it the pandemic crash or the financial meltdown in 2008, Fortis has consistently increased its dividends for the last 48 years.

Fortis serves approximately 3.4 million customers and operates a huge \$31 billion rate base. It runs 99% of regulated utility assets, which makes its earnings much more stable. So, even if the economy suffers from a recession or a boom, Fortis keeps growing at a steady pace.

Interestingly, utilities give away a large portion of their earnings as dividends to shareholders, known as the payout ratio. Fortis's average payout ratio was a handsome 72% in the last five years.

Driven by its earnings visibility, Fortis will likely keep paying such consistently increasing dividends for years to come. The management expects to raise [shareholder payouts](#) by 6% per year through 2025.

So, if you stay out of markets due to volatility risk, Fortis could be an option for you to consider, given its stable dividends and slow-moving stock.

Canadian Natural Resources

The country's biggest oil and gas play **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) is a relatively safe bet in the sector. Its stable balance sheet and juicy dividends make it appealing for income-seeking investors.

As oil and gas prices continue to soar higher, energy companies could see huge boost in their financials. Canadian Natural has aggressively repaid the debt in the last 12-18 months and improved its balance sheet strength. In addition, a superior free cash flow growth will likely keep fueling its stock higher.

CNQ stock returned 100% in the last 12 months. It currently yields 4.3%, higher than TSX stocks at large. It has consistently paid [dividends](#) since 2001. CNQ kept increasing dividends when oil prices notably fell during the pandemic early in 2020. At the same time, North American energy peers suspended or cut dividends to retain cash.

[CNQ stock](#) still offers a decent growth potential, despite delivering solid returns since last year. A solid macro-environment, strong earnings growth prospects, and dividends could help it outperform.

TC Energy

Energy pipeline giant **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is the highest-yielding stock among these three.

Though it belongs to the energy sector, TC Energy is a relatively safe stock. That's because its earnings come from long-term, fixed-fee contracts with oil producers and refiners. Volatile oil and gas prices do not significantly hamper its earnings. It currently yields 5.4% and has increased dividends since 2000.

TC Energy's \$29 billion capital expenditure should increase its pipeline network. The management expects 3-5% dividend growth annually for the next few years.

Bottom line

These stocks might lag growth stocks in bull markets. However, they could build a solid reserve over the long term, creating a stable passive-income stream for your sunset years.

CATEGORY

1. Investing
2. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)

2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:FTS (Fortis Inc.)
6. TSX:TRP (TC Energy Corporation)

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. kduncombe
2. vinitkularni20

Category

1. Investing
2. Stocks for Beginners

Tags

1. Editor's Choice

Date

2025/08/16

Date Created

2022/02/18

Author

vinitkularni20

default watermark

default watermark