3 Dividend Stocks to Buy Today

Description

With growth stocks continuing to fall heavily, dividend stocks have been propping up portfolios this year. Unfortunately, it seems like growth stocks could continue to stumble for the foreseeable future. Institutional investors and analysts alike have no idea how rising interest rates will affect valuations in the short to medium term. Because of this, it would be a great idea to start buying shares of blue-chip dividend stocks if you don't already. Here are three great dividend stocks to buy today!

It's a great time to buy the banks

With interest rates expected to rise this year, investors should consider buying the banks. Historically, banks have seen a widening in profit margins as interest rates increase. Canada's banking industry is dominated by a group of five banks with very large moats. When taking this industry dominance into consideration alongside the current economic conditions, it makes it very hard to stay away from these companies today.

Of the Big Five banks, my top choice is **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS). It is known as a Canadian Dividend Aristocrat, after having successfully increased its dividend in each of the past 10 years. In its latest earnings presentation, the company announced an 11% dividend increase. Even more impressive than that is its streak of dividend distributions. The company has managed to pay shareholders with an annual dividend for the past 189 years! Bank of Nova Scotia offers a forward yield of 4.35%.

Invest in this excellent growth machine

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is another great dividend stock to consider. The company operates a portfolio of assets worth more than $690 billion. That makes it one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, utility, and private equity industries.

Brookfield is listed as a Canadian Dividend Aristocrat. It has increased its dividend distribution for the past nine years. Although the company's forward dividend yield is quite low (0.99%), it's in a great position to increase distributions over the long run. As of this writing, its payout ratio stands at 23.9%. Investors should look to hold shares of dividend stocks with a payout ratio of 50% or less.

One of the best dividend companies around

Finally, it wouldn't be a dividend article without mentioning **Fortis** (TSX:FTS)(NYSE:FTS). As far as dividend stocks go, this is one of the best investors can hold. It has increased its dividend in each of the past 47 years. That gives Fortis the second-longest active dividend-growth streak in Canada. When you consider the several periods of economic uncertainty that have affected the market over the past five decades, this streak becomes even more impressive.

Today, investors are offered with a forward dividend yield of 3.65%. It should be noted that Fortis's dividend-payout ratio is quite high (78.5%). However, with this company's excellent history of allocating capital, I would remain confident holding this stock in a dividend portfolio.

CATEGORY

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3. NYSE:FTS (Fortis Inc.)
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