Start Investing With $100: 3 TSX Dividend Stocks to Buy Now

Description

Investing in stocks doesn't require large investments to start with. Even a small but regular investment of $100 can help you create a portfolio that would generate a steady inflow of substantial dividend income over time.

So, for those planning to start investing in stocks, consider buying these three TSX dividend stocks for $100.

Enbridge: $54.08

Enbridge (TSX:ENB)(NYSE:ENB) is a top stock to begin investing with. The company has consistently delivered strong returns on the back of its diversified asset base. It's worth noting that Enbridge's average annual total shareholder return (since 2008) stands at 11.7%, which is attractive.

Looking ahead, Enbridge is well positioned to deliver strong returns on the back of the recovery in its mainline volumes. Further, strength in its base business and expansion of renewable capacity augurs well for future growth.

Its multi-billion secured capital program, inflation-protected revenues (about 80% of its revenues have partial or complete inflation protection), strong balance sheet, revenue inflators, and productivity enhancements are likely to drive its distributable cash flows and, in turn, its shareholders' returns. Enbridge's distributable cash flow per share is projected to grow by a CAGR of 5-7% through 2024, which is encouraging. Meanwhile, ENB stock offers a solid dividend yield of 6.4%.

AltaGas: $27.83

AltaGas (TSX:ALA) offers a unique mix of growth and income. The company owns a balanced portfolio of utility assets (low risk and regulated) and midstream business (high growth) that helps the company to deliver strong shareholder returns.

Notably, AltaGas stock has appreciated by over 43% in one year on the back of consistent growth in its earnings and funds from operations. Further, AltaGas increased its 2021 dividends by 4%, while it announced a 6% hike in its dividends for 2022.

Looking ahead, AltaGas expects its rate base to increase at a CAGR of 8-10% through 2026, which will likely expand its high-quality earnings base in the utility segment and support increased dividend payments. Meanwhile, higher global exports volumes in the midstream operations and focus on improving cost structure will likely accelerate its growth.

Overall, AltaGas is well positioned to deliver solid returns to its shareholders in the coming years. Meanwhile, thanks to its solid earnings base, the company forecasts a 5-7% increase in its dividends per annum through 2026.

Algonquin Power & Utilities: $18.09

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is another low-risk stock for consistent dividend income and capital appreciation. Its high-quality regulated assets, long-term agreements, and growing renewables capacity will support its earnings and, in turn, drive its dividends and share price.

Thanks to its solid earnings base, Algonquin Power & Utilities has uninterruptedly increased dividends by an average of 10% per annum in the last 11 years. Furthermore, the company projects its rate base and earnings to consistently improve in the coming years, which will likely support higher dividend payments in the future.

It's worth noting that Algonquin Power & Utilities sees its rate base to increase by about 15% per annum through 2026, which will lead to a mid- to high-single-digit growth in its earnings over the next five years.

Overall, its diversified assets, growing rate base, and opportunistic acquisitions strengthen my bullish outlook.

CATEGORY

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3. TSX:ALA (AltaGas Ltd.)
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