



3 Top Canadian Dividend Stocks to Buy Under \$20

Description

Despite the ongoing Russia-Ukraine war, the **S&P/TSX Composite Index** has risen 1.7%. The hopes of progress in the peace talks and the outcome of the recently completed two-day meeting of the Federal Reserve of the United States drove the index higher. However, I expect the equity markets to remain volatile in the near term due to the increase in commodity prices amid the sanctions imposed by the United States and the European countries on Russia.

So, I believe investors should strengthen their portfolios with high-quality [dividend stocks](#). Meanwhile, here are three top dividend stocks that are available below \$20.

Pizza Pizza Royalty

First on my list is **Pizza Pizza Royalty** ([TSX:PZA](#)), which owns Pizza Pizza and Pizza 73 brand restaurants. The company had reported [solid fourth-quarter performance](#) earlier this month, with its same-store sales rising by 12.4%. With the easing of restrictions, the company witnessed growth in the sales of its non-traditional restaurants and walk-in and catering channels.

Pizza Pizza has accelerated its network expansion plan. It expects to increase its traditional restaurant count by 5% this year and continue its restaurant renovation plan. Along with these initiatives, the contributions from its digital and delivery channels could drive its financials in the coming quarters. So, I believe the company's dividend is safe. With a monthly dividend of \$0.065 per share, Pizza Pizza Royalty's forward yield currently stands at 5.78%.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) owns and operates renewable power-producing facilities across Canada, the United States, and Australia. Given its diversified power-producing facilities and long-term contracts, the company generates stable cash flows. These stable cash flows and strategic acquisitions have allowed the company to raise its dividend at a CAGR of 3% since going public in 2013. Meanwhile, it currently pays a monthly dividend of \$0.07833 per share, with its forward yield

currently at 5.1%.

Meanwhile, the company recently acquired North Carolina Solar portfolio and Windrise wind facility, increasing its power-producing capacity by 328 megawatts. Supported by these acquisitions and solid underlying business, I expect the company's financials to grow in the coming quarters. The company's management expects its 2022 adjusted EBITDA to come in the range of \$485-\$525 million compared to \$463 million in 2021. So, TransAlta Renewables is well equipped to continue paying dividends at a healthier rate.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates low-risk utility and regulated renewable assets, generating stable cash flows and allowing it to raise dividend consistently. The company has increased its dividend every year by over 10% for the last 11 years. It currently pays a quarterly dividend of US\$0.1706 per share, with its forward yield at 4.5%.

Meanwhile, the company's management has planned to invest around US\$12.4 billion over the next five years. In 2022 alone, the company expects to invest around US\$4.3 billion, including the acquisition of New York American Water and Kentucky Power. Along with these investments, its solid underlying business and favourable rate revisions could boost its financials in the coming quarter. Given its stable cash flows, healthy dividend yield, and high-growth potential, I expect [Algonquin Power & Utilities to strengthen your portfolio](#) in this volatile environment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:RNW (TransAlta Renewables)

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