5 Top TSX Dividend Stocks to Rely on in 2022 and Beyond

Description

With higher energy prices, strong demand, and rising interest rates, dividends of energy and banking stocks appear attractive. Let's look at a few dividend-paying companies in the energy and banking space that can be easily relied upon to generate worry-free income in 2022 and beyond.

Toronto-Dominion Bank

Higher interest rates and improvement in loans and deposit volumes amid increasing economic activity will likely fuel growth at **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). Notably, this banking giant has been growing its dividend at a CAGR of 11% for 27 years, which is attractive. Further, it has consistently paid a dividend for 164 years.

I am upbeat about Toronto-Dominion Bank's growth prospects and expect it to capitalize on the improving business environment. Its payouts are low and well-protected through its stellar earnings growth. Overall, it remains a solid investment to generate consistent income for decades.

Suncor Energy

The higher oil and gas prices and recovery in demand could boost **Suncor Energy's** (TSX:SU)(NYSE:SU) financials and, in turn, its payouts. Notably, the company has reinstated its dividend to the pre-pandemic levels. Moreover, it bolsters its shareholders' returns through buybacks and regular dividend payments.

Also, Suncor's prudent capital-allocation strategy allows it to accelerate debt repayment without hindering growth projects. Suncor's integrated assets, higher price realizations, improved volumes, and lower cash operating cost per barrel bode well for growth.

Enbridge

The higher demand and prices of commodities that **Enbridge** (TSX:ENB)(NYSE:ENB) transports will likely fuel its future growth. Enbridge is positioned well to benefit from the recovery in its mainline volumes. Further, the ongoing strength in the underlying business, strong secured projects, and strategic acquisitions will likely drive its distributable cash flows and dividend payments.

Enbridge has raised its dividend for the past 27 years and is on track to hike it further on the back of higher asset utilization and infrastructure investments amid solid demand. Moreover, its inflation-protected revenues and contractual arrangement suggest that its payouts are sustainable and well protected.

AltaGas

AltaGas's (TSX:ALA) solid mix of regulated and midstream assets positions it well to deliver higher dividend payments in the coming years. Notably, its low-risk utility business will likely benefit from its growing rate base and cover its dividend payouts. AltaGas projects its rate base to grow at an annualized rate of 8-10% over the next five years.

Meanwhile, it expects to increase its dividend by 5-7% annually during the same period. Also, the strong energy demand will drive higher export volumes at its midstream business and support higher payouts.

Bank of Montreal

With a dividend payment history of 193 years, **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is a solid bet to generate reliable income. Bank of Montreal's ability to consistently grow its earnings at a healthy pace supports higher dividend payments. Looking ahead, increased volumes and higher interest rates will support its revenue. Moreover, its high-quality assets, strong balance sheet, and operating leverage could continue to cushion its earnings and support future dividend payments.

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1. Dividend Stocks
2. Investing

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1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:ALA (AltaGas Ltd.)
6. TSX:BMO (Bank Of Montreal)
7. TSX:ENB (Enbridge Inc.)
8. TSX:SU (Suncor Energy Inc.)
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