3 Top Dividend Stocks to Buy With $300

Description

While the list of TSX-listed dividend-paying stocks is long, companies that can afford to pay regular dividends appear attractive amid high inflation, rising interest rates, and an uncertain economic environment. I'll focus on three Canadian corporations that are reasonably priced, offer yields of at least 4.5%, and have strong histories of increasing their dividends (at least 20 years in a row). Here are my top picks.

TC Energy

There are multiple reasons why shares of **TC Energy** (TSX:TRP)(NYSE:TRP) are a must-have to generate a steady inflow of cash amid all market conditions. TC Energy's regulated and contracted assets account for most of its profits (generates about 95% of its EBITDA from regulated assets and long-term contracts) and support higher dividend payouts.

Thanks to its high-quality earnings base, TC Energy has raised its dividend for 22 consecutive years. Further, its dividend has a CAGR of 7% during the same period.

Looking ahead, TC Energy expects 3-5% annual growth in its future dividend and is currently offering a well-protected yield of 4.9%. This energy infrastructure company could continue to generate steady cash flow due to its resilient portfolio of regulated and contracted assets. Moreover, a high asset utilization rate and $24 billion secured projects augur well for growth. Further, revenue escalators and productivity savings are expected to support its profitability and future payouts.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is another top investment to generate a growing cash inflow. Its robust dividend payment history (67 years in a row), consistent dividend growth (grown dividend at a CAGR of 10% since 1995), high yield of 5.9%, and resilient business model make it a top investment to generate worry-free income.

Notably, Enbridge projects 5-7% growth in its distributable cash flow per share, which is achievable given the strong demand, recovery in mainline volumes, and ongoing momentum in the core business. Enbridge's diverse cash flow streams, contractual arrangement, and strong capital program support higher payouts.

Further, strategic acquisitions and cost-savings initiatives bode well for future earnings and dividend growth. Also, its payout ratio of 60-70% of distributable cash flows is sustainable in the long run.

Canadian Utilities

With a track record of increasing its dividend for 49 years, **Canadian Utilities** (TSX:CU) is among the top stocks to generate reliable income irrespective of market conditions. Its resilient regulated and contracted assets generate stellar cash flows that drive higher dividend payments. Further, Canadian Utilities offers a solid dividend yield of 4.5%, which is reliable.

Canadian Utilities is poised to consistently enhance its shareholders' value in the coming years. Its continued investments in regulated and contracted assets are driving its high-quality earnings base and dividend.

Overall, its strong dividend payment history, low-risk business, rate base growth, and cost optimization bode well for growth.

Bottom line

The long dividend payment history, consistent dividend growth, and resilient cash flows make the shares of these companies attractive for generating steady passive income. Further, their high yields and the sustainable payout ratio are encouraging.

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2. Investing

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2. NYSE:TRP (Tc Energy)
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4. TSX:ENB (Enbridge Inc.)
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