Got $300? 3 Cheap Dividend Stocks to Build a Passive-Income Portfolio

Description

It's hard to believe that with all of the volatility this year, the **S&P/TSX Composite Index** is still trading flat in 2022. There's been plenty of ups and downs through the year so far, but the Canadian stock market has held strong.

Volatility has been a major theme in the stock market this year, and I'm not expecting that to change anytime soon. There's still plenty of uncertainty in economies spread across the globe today, which likely won't bode well for short-term investors.

Building a passive-income portfolio

Due to all the volatility in the stock market, I'm looking to build a dependable stream of passive income. Cash generated through dividend stocks can help offset some of the volatility in an investment portfolio.

And as someone whose portfolio skews towards high-growth tech stocks, I could certainly stand to benefit from an additional stream of income.

With that in mind, I've reviewed three market-leading dividend stocks that are at the top of my watch list today. For less than $300 right now, Canadian investors can own the entire basket of dividend-paying companies

Dividend stock #1: Fortis

When it comes to dependability, utility stocks are second to none. They're far from the most exciting companies on the **TSX**, but I'm not interested in owning a dividend stock for excitement.

Nearing a market cap of $30 billion, **Fortis** (TSX:FTS)(NYSE:FTS) is a market-leading utility provider in Canada. The company also boasts a growing presence in the U.S.

Fortis has closely mirrored the returns of the Canadian stock market in recent years. The difference being the utility stock has experienced lowered levels of volatility. And when you factor in dividends, Fortis has managed to deliver consistent market-beating returns over the past two decades.

At today's stock price, the utility stock's annual dividend of $2.14 per share yields 3.5%.

Dividend stock #2: Telus

Telus (TSX:T)(NYSE:TU) may not be on any growth investor's radar, but that may be a missed opportunity.

On top of the massive growth potential coming from 5G technology, the company is also expanding into the fast-growing telemedicine market. Couple that with a top dividend yield, and Telus may be in line for many upcoming years of market-beating gains.

Of the three companies in this basket, Telus is the highest yielding, coming in just over 4%.

Dividend stock #3: Northland Power

The last pick in this basket may be the lowest yielding, but long-term growth investors would be wise to give it serious consideration.

Excluding dividends, shares of **Northland Power** (TSX:NPI) are up close to 70% over the past five years. That's good enough for nearly doubling the returns of the S&P/TSX Composite Index.

Renewable energy has a long runway of growth ahead of it, so I wouldn't bet against Northland Power continuing to crush the market's returns.

At a 3% dividend yield, there are higher-yielding dividend stocks on the TSX. But when you factor in the company's consistent track record of market-beating growth, Northland Power is a rare find on the TSX.

With shares trading close to 10% below 52-week highs, this is an opportunistic time to start a position.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
4. TSX:NPI (Northland Power Inc.)
5. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. ndobroruka

Category

1. Dividend Stocks
2. Investing

Date
2025/08/24
Date Created
2022/05/06
Author
ndobroruka