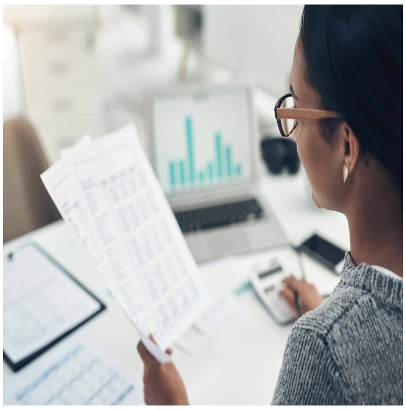

Stocks for Beginners: 3 Reliable Dividend Stocks to Buy Now

Description

Stock market corrections are the best time for new investors to start buying dividend stocks, as stock prices decline dividend yields rise. Consequently, the cheaper dividend stocks get, the better their annual cash return on your cost increases.

The best time to buy stocks is in a correction

Buying stocks on corrections has been a great way to accelerate and elevate long-term returns. Stock market corrections are normal and happen regularly.

Fortunately, time and time again, stocks in good quality companies, recover their losses and keep trudging higher. If you are new to investing and want to collect some attractive dividends, here are three quality dividend stocks to buy for the long term.

A top Dividend Aristocrat stock

Canadian National Railway (TSX:CNR)(NYSE:CNI) is a great blue-chip stock every Canadian could consider owning. It is one of North America's largest railroad operators. It has an incredibly defensive moat considering its infrastructure is nearly impossible to replicate.

Yet this stock is down 14% this year. At 20 times earnings, CN is near the lowest valuation it has had since the pandemic. This year, the company has faced some short-term operating challenges. Consequently, earnings have been pressured. However, the back half of the year is looking very promising.

CN's dividend yield is not high at 2%. However, that is above its five-year average yield of 1.65%. CN is a Dividend Aristocrat stock with a history of about 13% annual dividend growth.

A top real estate stock

Given that interest rates are fast rising, the market has started to selloff real estate stocks. This has created an incredible opportunity to pick up some of the best quality real estate assets in the world. One dividend stock that looks very attractive today is **Granite REIT** (TSX:GRT.UN). It is down 16.7% this year.

It owns one of Canada's largest industrial real estate portfolios. These include huge manufacturing and logistics properties across Canada, the U.S., and Europe. The REIT has a large development portfolio, many of which will be completed in 2022.

Consequently, it is expecting around 10% cash flow per unit growth this year and next. Despite economic worries, it continues to see over 20% rental rate growth.

Granite pays a 3.56% dividend. That equals a $0.258 monthly dividend per unit. Granite has raised its dividend every year for the past 10 years, and I don't see that trend changing given its growth profile. This stock is cheap compared to peers and a great long-term opportunity today.

Banks stocks are great for dividend growth

Another sector looking attractive today is financials. **Royal Bank of Canada** (TSX:RY)(NYSE:RY) has pulled back 10% after hitting new all-time highs. The market appears to be worried about a recession, and it is punishing Canada's large banking sector.

Yet this is nothing the banks haven't been through before. Canadian banks are some of the best-capitalized banks in the world. Royal Bank is Canada's largest bank. Its operations are diversified by geography, business, and clientele. Its size, scale, and strong balance sheet provide it strong economic resilience.

This stock has a long history of growing its dividend. It yields 3.8% today, but it has increased that dividend by an 8% compounded annual rate for the past decade. For a nice inflation-indexed dividend and some modest growth, Royal Bank is an attractive stock to just buy and hold for years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)
5. TSX:RY (Royal Bank of Canada)

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. robbybrown

Category

1. Dividend Stocks
2. Investing

Date
2025/09/09
Date Created
2022/05/25
Author
robbybrown