



The 3 Best Dividend Stocks to Buy Before June 2022

Description

The month of May has been tough for most Canadian investors. Even rock-solid dividend stocks have seen their prices decline. Certainly, [a downward market](#) can be scary. It is uncomfortable to see a large part of your portfolio turn red. Yet it is a natural part of the markets.

Buy in May and hold forever

The stocks you own represent a stake in a real business. If you really like that business and its long-term prospects, forget about what the market is doing. In fact, a market correction is a perfect time to buy quality dividend stocks while they are trading at better valuations and higher yields.

With the hope that June will be a more optimistic month than May, here are three dividend stocks to buy before the summer slowdown hits the market.

A top Canadian energy stock quickly growing its dividend

Given the war in Ukraine and waning oil and natural gas supply, chances are very good that [oil prices](#) will remain elevated for some time. Energy producers have cut back on production and focused on returning capital to shareholders. Yet, demand is only growing, especially as the world recovers from COVID-19.

All these fundamentals bode favourably for a large integrated energy producer like **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). With a market capitalization of \$71 billion, it is one of Canada's largest energy producers and refiners. Its stock is up 58% in 2022. However, over the past year, it has meaningfully lagged other major producers like **Cenovus** and **Canadian Natural Resources**.

The company has an activist investor engaged in improving operations and overall shareholder returns. Likewise, with oil prices so high, Suncor is generating a lot of excess cash. It just raised its quarterly dividend by 12% to the highest level in its history. Today, it pays an attractive 3.8% dividend yield, but there is likely further room for it to grow.

A telecom stock with years of dividend growth

If you are looking for a very reliable stream of growing dividends, then **TELUS** ([TSX:T](#))([NYSE:TU](#)) is one of the best stocks I can think of. For the past 15 years, TELUS has grown its dividend rate by nearly 9% a year. For context, its annual dividend rate has increased 250% since 2007.

While TELUS is typically considered a boring provider of telecommunication services, it has an innovative posture that is propelling long-term growth. It is building out a market-leading network that is driving strong customer growth. Likewise, TELUS is growing several digital verticals in customer service, virtual health, and agriculture. Each could contribute to earnings significantly in the future.

TELUS pays a 4.35% dividend yield right now. This dividend stock recently pulled back 8%, and it looks attractive here.

A top REIT for value, income, and growth

The last dividend stock to consider buying before June is **BSR REIT** ([TSX:HOM.U](#)). Real estate stocks have taken a drop over economic worries and rising interest rates. BSR is no exception, its stock is down nearly 13% since April. Yet this is a great buying opportunity.

BSR operates an attractive portfolio of garden-style apartments in major U.S. growth cities like Houston, Dallas, and Austin. These regions are experiencing very strong economic dynamics. These are unregulated markets, so population growth and strong housing demand are driving rental rates up by a high-teens rate.

This will translate into very solid cash flow generation in 2022 and beyond. Despite, this REIT trades at a meaningful discount to its U.S. peers. This dividend stock yields 3% today. For income, value, and growth, this is an ideal stock to pick up now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TU (TELUS)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:HOM.U (BSR Real Estate Investment Trust)
6. TSX:SU (Suncor Energy Inc.)

7. TSX:T (TELUS)

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