



3 Canadian Dividend Stocks I'm Buying Now

Description

Dividend stocks are on fire in 2022, and I'm backing up the truck.

With the collapse of the tech bubble and the rally in oil prices, dividend stocks have been beating the market. Energy stocks are making massive gains this year, while financials are down less than other sectors. No matter which traditional value sector you bought this year, you're likely to have done well.

Around January, I determined that the tech collapse that was underway at the time had a way to go. Sensing more value in beaten-down sectors, I started buying dividend stocks. Since then, the NASDAQ has shed about 10% of its market cap, while energy stocks have rallied. In this article, I will explore three dividend stocks I've bought or held in 2022, starting with a top energy play.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is a Canadian oil company that just released a stellar earnings report. In SU's first-quarter earnings release, it showed massive growth in revenue, earnings, and cash flows. The results exceeded what analysts expected for the company, whose stock rallied considerably following the release.

Why is Suncor's stock going up this year?

It comes down to one thing: rising oil prices.

This year, oil supply is fairly low due to geopolitical conflict, supply chain issues, and OPEC not raising output very much. When you take three factors that all restrict supply together, they tend to have a powerful effect. Powerful indeed their effect has been, as WTI crude is approaching \$120 this year.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is a Canadian bank stock that I have held for about

four years now. I first started accumulating it in 2018 and was lucky to have had the opportunity to buy it on an enormous dip in March 2020. This year, I'm still accumulating. Although my 2022 buys haven't performed as well as the ones I made in past years, I'm optimistic.

TD's most recent quarter was a beat, and the **First Horizon** deal will immediately add to the company's net income when it closes. TD is currently the ninth-biggest bank in the U.S.; after it finishes the M&A deal, it will be the sixth biggest. If all of this goes smoothly, then TD stock should begin to reflect the gains that TD, the company, is making.

iShares S&P/TSX 60 Index Fund

Shares S&P/TSX 60 Index Fund ([TSX:XIU](#)) is a dividend paying [index fund](#) that I have owned for quite a few years. In 2022, I continue to hold it. XIU is built on Canadian stocks, and the 2022 global macro environment favours Canada's economy in many ways. Oil prices are high, [tech stocks](#) are performing poorly, and interest rates are rising. All of this bodes well for Canada, whose economy is more heavily based on energy and financials than other countries' are.

As for why I like XIU specifically, it has a 2.5% dividend yield, a low (0.16%) fee, and high liquidity. Overall, it's a great dividend fund that you can buy and hold for a long period of time.

CATEGORY

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1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:TD (The Toronto-Dominion Bank)
5. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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