Top Canadian Dividend Stocks to Buy for Stable Passive Income

Description

The crack in the markets is getting deeper. The **TSX Composite Index** is now down 15%, while the **S&P 500** has fallen 23% from their respective highs. Notably, markets could continue to trade weak in the short term, driven by steeper rate hikes and growth uncertainties. So, here are some of the top Canadian dividend stocks that could stay relatively resilient in such markets.

Fortis

Canada's top utility stock, **Fortis** (TSX:FTS)(NYSE:FTS), offers top-class earnings stability and a reliable dividend. It currently yields 3.5%, which is in line with TSX stocks at large.

Utilities are perceived as safe havens because of their slow stock movements and reliable dividends. However, stocks like Fortis have also been weak lately, driven by rapidly rising interest rates. But note that FTS has stood relatively firm compared to weakness in some of the top growth names.

Fortis earns stable cash flows, irrespective of the broader economic cycles. Also, its large, regulated operations facilitate predictable earnings, which ultimately drive its dividend.

Fortis has raised its shareholder dividend for the last 48 consecutive years. It will likely continue the dividend-growth streak in the future, even in a recession. So, if you have a long investment horizon and looking for a stable dividend income, Fortis could be an apt bet.

Tourmaline Oil

Canada's top natural gas producer, **Tourmaline Oil** (TSX:TOU), is another interesting bet in the current markets. It has delighted shareholders with multiple interim dividend payments in the last 12 months. Including specials, Tourmaline has paid a dividend of $3.18 per share so far in 2022.

Thanks to rallying natural gas prices, Tourmaline saw substantial financial growth since the pandemic. For the last 12 months, it reported a net income of $2 billion against $618 million in 2020. It also saw notable free cash flow growth, which was used to repay debt.

Interestingly, Tourmaline seems well positioned for more dividend hikes. Natural gas prices are up 133% in Q2 2022 compared to last year. So, there will most likely be substantial financial growth coming Tourmaline's way. Driven by generous dividends and solid financial growth, TOU stock has returned 125% in the last 12 months.

Notably, Tourmaline's undervalued stock still suggests more upside potential for the future. So, natural gas price strength, solid balance sheet, and dividend-growth potential could drive TOU stock further higher.

Enbridge

Canada's top midstream stock **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the top-yielding stocks on the TSX. It derives a majority of its earnings from long-term, fixed-fee contracts that facilitate stability and predictability.

In addition, with energy markets blooming, Enbridge could see higher business opportunities as producers drill more and transport higher volumes to refineries.

Enbridge has an unmatchable pipeline network that has fueled stable financial growth over the years. ENB stock has returned 9% annually on average in the last 10 years, notably beating the TSX Composite Index.

Note that ENB has consistently paid a dividend for the last 67 years and has increased it in the last 27 consecutive years. Such a long dividend-growth streak is indeed compelling and indicates dividend reliability.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:TOU (Tourmaline Oil Corp.)

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. vinitkularni20

Category

1. Dividend Stocks
2. Investing

Date
2025/06/29
Date Created
2022/06/16
Author
vinitkularni20