Passive Income: 3 TSX Stocks With Incredibly Fast-Growing Dividends

Description

If you are an investor focused on passive income, it is crucial to own TSX stocks that are regularly growing their dividends. Inflation continues to soar beyond what most economists predicted.

As a result, your passive-income stream needs to outperform the money-devaluing effects of inflation. If you are looking to beat inflation and grow your wealth, here are three top TSX stocks with fast-growing dividends.

CNQ: A great inflation hedge

One of the key causes of inflation today is the rising cost of oil. A good way to get upside from this trend is to own top-quality oil stocks like **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ). By no means is this the cheapest **TSX** energy stock. However, it makes up for it by having some of the highest-quality oil and gas production operations in North America.

CNQ stock may only yield 3.5% today. However, it has been a serious dividend-growth stock for years. Since 2012, it has grown its dividend by a compounded 20% annual rate!

Just in March alone, it increased its quarterly dividend by 28% to $0.75 per share. As CNQ reaches its debt targets, it has promised to accelerate its cash returns even more. That likely means more growing streams of passive income for investors ahead.

CNR: A long-term passive-income growth stock

Canadian National Railway (TSX:CNR)(NYSE:CNI) might be one of Canada's most long-standing and consistent dividend-growth stocks. Since 2005, it has grown its dividend by a 15.5% compounded annual rate. Its current $0.7325 quarterly dividend payout is over 10 times larger than it was in 2005!

This is a very defensive blue-chip stock to buy and hold in any market environment. Its large, diverse transportation network is essential to the North American economy. Consequently, it has a very strong business moat and great pricing power.

This passive-income stock recently pulled back due to short-term issues related to weather and supply chain challenges. Right now, it trades with a 2% dividend yield and a pretty attractive valuation.

EQB: An under-the-radar stock for value, growth, and passive income

If I asked what the best-performing bank stock in Canada is, you might be surprised that is not a Big Six bank like **Royal Bank** or **TD Bank**. Over the past 10 years, the best-performing bank in Canada has actually been **Equitable Group** (TSX:EQB). Over the past decade, this stock is up 425%. That is 143% above the next best performer, **National Bank**.

Equitable Group has zero in-person branches. Consequently, it can operate very efficiently and capture higher margin returns over its peers. Self-titled as the Challenger Bank, it generally provides loans and mortgages to sub-prime consumers that the big banks overlook.

While this is a riskier segment, Equitable Group has managed its loan book very well through several downturns before. Today, EQB pays a 1.9% dividend.

It has steadily grown that dividend by a 16% compounded annual rate over the past decade. This year, it increased its quarterly dividend by 57% to $0.29 per share! For a combination of value, dividend growth, and long-term capital appreciation, Equitable Group is a great passive-income stock to consider right now.

CATEGORY

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2. NYSE:CNQ (Canadian Natural Resources)
3. TSX:CNQ (Canadian Natural Resources Limited)
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