



2 High-Dividend TSX Utilities Stocks to Buy Today

Description

[Dividend investing](#) can be very lucrative in Canada. Our leading industries comprise many safe, reliable, blue-chip companies that have paid some of the most consistent and high-yielding dividends throughout the last 20 years.

Not all dividend companies are equal, though. Some companies have a consistent history of increasing dividends and maintaining payouts. Others are known for their exceptionally high yields. Today, we'll be focusing on two companies that exhibit the latter from the utilities sector.

Canadian Utilities

Canadian Utilities ([TSX:CU](#))([NYSE:CU](#)) provides regulated electricity transmission and distribution services in Alberta, the Yukon, and the Northwest Territories and integrated natural gas transmission and distribution services in Alberta and Saskatchewan.

CU currently pays a dividend of \$1.78 per share for a forward annual dividend yield of 4.79%. The stock last went ex-dividend on May 4, with a dividend date of June 1. Investors looking to snag the next dividend will have to wait until the following fiscal quarter.

CU is a good long-term holding thanks to its low beta — a measure of volatility relative to the stock market. With a five-year monthly beta of 0.57, CU is just slightly over half as volatile as the TSX, making it a good stable core holding to compound dividends with.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns and operates a portfolio of regulated and non-regulated renewable energy generation, distribution, and transmission utility assets in Canada, the U.S., and internationally.

AQN currently pays a dividend of \$0.94 per share for a forward annual dividend yield of 5.57%. The

stock is set to go ex-dividend for June 29, with a dividend date of July 15. Investors looking to snag this dividend should buy before the upcoming ex-dividend date.

Compared to CU, AQN has an even lower five-year monthly beta at just 0.26. This means that compared to the broad market, AQN is only a quarter as volatile. This gives the stock excellent stability and protection from fluctuations, which can be good for defensive investors.

The Foolish takeaway

Buying these two stocks and reinvesting the dividends can snowball quickly over time, leading to a high total return. However, as with all investments, diversification is key. Concentrating a dividend portfolio in these two companies could expose you to the risk of either underperforming or even going bankrupt. There is no guarantee that the Canadian utilities sector will outperform in the future. Consider seeking out additional dividend stocks from other TSX sectors.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CU (Canadian Utilities Limited)

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Author
tdong

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