Nearing Retirement? The 3 Best Canadian Dividend Stocks to Buy Now

Description

If you are nearing retirement, a fair understanding of your financial goals during your sunset years should help. As individuals age, their risk-taking ability and investment horizon declines. So, a portfolio focusing on relatively safe, slow-moving stocks plays better than a growth-focused one. Again, investing is never a one-size-fits-all game. An investor with a large asset base and high-risk appetite may go for an aggressive, growth portfolio. So, it depends on an individual's risk profile and return requirements.

The following Canadian dividend stocks offer low-risk, moderate-return prospects. These might not make you rich overnight, but they will not give you sleepless nights.

Fortis

Canada's top utility stock **Fortis** (TSX:FTS)(NYSE:FTS) is one classic defensive stock that plays well in almost all situations. It currently yields 3.5%, which is in line with broader markets. So, if you invest $10,000 in FTS stock, it will generate $350 in dividends every year. And note that this dividend amount will likely increase yearly as the company increases its profits. Fortis has increased its dividend for the last 48 consecutive years.

Such a feat is not too rare among utilities. Utility companies have fair visibility of their earnings due to consistent demand and highly regulated operations. So, even in case of recessions, utilities like Fortis keep on growing stably and pay dividends regularly. As a result, investors take shelter in utility stocks in uncertain times.

FTS has been through multiple recessions and bear markets in the past. And notably, it has maintained its dividends-growth streak all this while and has created a notable shareholder value.

BCE

Telecom giant **BCE** (TSX:BCE)(NYSE:BCE) could also be an apt pick for your retirement portfolio. It has seen stable growth over the last several years that has been reflected in its market performance.

BCE is Canada's biggest telecom and media company by market cap. It generates more than half of its revenues from the wireline business, while 38% comes from wireless and the rest comes from media operations.

With its strong balance sheet and second-largest subscriber base, BCE will likely see superior growth as 5G becomes commonplace in the next few years. It has upped the capex game in the last few years with higher investments in network upgradation and 5G expansion.

BCE stock yields a 6%, higher than TSX stocks at large. Note that the high reliability of dividends that BCE offers plays well in volatile markets.

Enbridge

Energy midstream titan **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the top-yielding stocks among the Canadian bigwigs. It yields 6.4% at the moment, way higher than average. Moreover, it has increased dividends for the last 26 consecutive years.

Enbridge has a relatively stable earnings profile because of its little or no correlation with oil and gas prices. It derives a majority of its earnings from long-term contracts. Thus, ENB stock is relatively less volatile compared to oil producer stocks.

ENB has returned 9% on average annually in the last 10 years, outperforming TSX stocks at large. Given its reliable dividends, stable earnings growth prospects, and reasonably valued stock, ENB looks like a fitting bet for a retirement portfolio.

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2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
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5. TSX:ENB (Enbridge Inc.)
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vinitkularni20