



3 of the Safest Canadian Dividend Stocks to Buy Right Now

Description

It's no secret that volatility has been wreaking havoc in the Canadian stock market throughout 2022 so far. And with plenty of uncertainty in the short-term future of the economy, I'm bracing my portfolio for continued volatility through the remaining five months of the year.

But just because the stock market may be lacking stability today doesn't mean I'm not investing. There are plenty of deals to be had on the **TSX** right now. Whether you're looking to invest in high-growth tech companies or dependable Dividend Aristocrats, you're likely going to be able to find a bargain today.

Building a stream of passive income

One way to help brace a portfolio for upcoming turbulent market conditions is through dividend investing. Passive income generated by dividend stocks can help offset some of the pain caused by short-term market downturns.

Fortunately, Canadian investors have no shortage of high-quality dividend stocks to choose from on the TSX.

I've reviewed two top dividend-paying companies that passive-income investors should have on their radar.

Dividend stock #1: Algonquin Power

When it comes to defensiveness, there aren't many better options than utility stocks. Owning shares of a utility company may not seem like a wise idea during a raging bull run, but you'll sure be glad to own them during inevitable bear markets.

The steady demand for utilities is what keeps volatility levels to a minimum. Since demand doesn't fluctuate based on the health of the economy nearly as much as in other industries, volatility levels

tend to remain fairly low.

At the top of my list among Canadian utility companies is **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)).

The dividend stock has delivered impressive growth numbers in recent years, largely due to its growing [renewable energy](#) division. Algonquin Power offers its customers access to hydroelectric, wind, and solar renewable energy solutions.

At today's stock price, the company's annual dividend of \$0.95 yields more than 5%.

When you factor in dividends, Algonquin Power has close to doubled the returns of the Canadian stock market over the past five years.

Passive-income investors shouldn't be the only ones with this Dividend Aristocrat on their watch lists.

Dividend stock #2: Bank of Nova Scotia

When it comes to defensiveness, utility stocks should be top of mind. But when passive income is the main objective, the major [Canadian banks](#) cannot be overlooked.

The major Canadian banks own some of the longest payout streaks on the TSX. In addition to that, the Big Five are all currently yielding more than 4% right now.

In terms of yield, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is at the top of the list among the Big Five. The \$90 billion bank's annual dividend of \$4.12 per share yields close to 5.5% at today's stock price.

What makes Bank of Nova Scotia a top pick for passive-income investors is its dependability. In addition to being a Dividend Aristocrat, the bank also owns a dividend-payout streak of close to 200 consecutive years.

If passive income is what you're after, you can't go wrong with owning any of the Big Five. But if you had to choose just one of them, Bank of Nova Scotia would be my top choice.

CATEGORY

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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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Author

ndobroruka

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