Beginner Investors: 3 Safe Canadian Stocks (With Dividends) to Buy Today

Description

If you are new to investing, the recent market turmoil in Canadian stocks can be unnerving. The **TSX Composite Index** is down almost 6% this year. However, that masks the fact that many market segments have fallen by much, much more. Technology and growth-focused investors have been hit particularly hard.

There could be more pain: Get defensive with dividend stocks

It is difficult to say where the economy and the stock market will head next. Given some of the geopolitical and economic challenges in the world, many are predicting more downside. As a result, it doesn't hurt for Canadian investors to take a more cautious approach.

Most investors should have some exposure to safe Canadian dividend stocks. It is even better if those stocks have inflation-beating dividend growth. If the market takes another turn for the worst, at least you can collect a tangible cash return through dividends.

A Canadian stock with decades of dividend growth

Utility stocks are a safe place to invest in dividends because of their regulated streams of cash flow. **Fortis** (TSX:FTS)(NYSE:FTS) is one of Canada's largest utilities with a market cap of $29 billion. It has power and gas transmission operations across North America.

Fortis has been one of Canada's most consistent dividend-growth stocks. It has a 48-year history where it has annually increased its dividend. There are very few other Canadian stocks that have done this, so it attests to the quality of its business and assets.

This Canadian stock yields a 3.55% dividend today. The company is executing a five-year, $20 billion capital plan that is expected to grow earnings and dividend rate by around 6% a year. For a rock-solid way to earn income and decent capital upside, this is a Canadian stock to tuck away and hold for years.

A top telecom for growth and income

Like heat and electricity, internet and cellular coverage are essential services people and businesses need. That is why **TELUS** (TSX:T)(NYSE:TU) is an excellent Canadian safety stock.

It is nearing the end of an elevated capital cycle. Subsequently, it expects to deliver outsized dividend growth in the range of 7-10% annually for the next several years. It has a 15-year history of growing its dividend annually by a compound 8.6% rate! That is impressive.

The company is using excess cash to also invest in several digital growth verticals (virtual health, agri-tech, and customer experience). These are higher valued businesses that could one day be substantial. While you wait for these assets to grow, investors collect a 4.4% dividend yield today.

A Canadian bank stock with steady long-term returns

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is down in 2022 over short-term economic concerns. However, over the long term, it has been a solid stock to hold for income and modest capital returns. Over the past 10 years, it has delivered relatively low-risk 12% annual compounded total returns.

It is a top retail bank in Canada and the eastern United States. Its presence has only expanded in the U.S. after it made two large acquisitions earlier this year. There are some integration risks, but it does provide further economic and business diversification across its business.

For the past 15 years, TD has grown its dividend by a robust 8.5% compounded annual rate. This Canadian stock earns a 4.15% dividend yield, which is above its five-year average of 3.81%. If you want a safe bet for the long term, TD is a good candidate to hold.

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1. Investing
2. Stocks for Beginners

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2. NYSE:TD (The Toronto-Dominion Bank)
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5. TSX:T (TELUS)
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