



2 of the Safest Dividend Stocks on Earth Right Now

Description

Market conditions are constantly changing in the 21st century, but for income investors, the objective is unchangeable. It's about maintaining a dividend [stock portfolio](#) that delivers uninterrupted income and decent capital growth over time.

Canada National Railway ([TSX:CNR](#))([NYSE:CNI](#)) and **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) are logical choices if your financial objective is the same. The respective businesses of the [large-cap stocks](#) can adapt to the shifting economic environment and even take advantage of available opportunities for further growth.

Long-term value

CN, through its valuable transportation services, connects Canada and customers to global markets. The \$109.2 billion transportation and logistics company is 103 years old but its rail network is still running well. According to management, CN is committed to long-term value for shareholders through strong financial performance and a best-in-class balance sheet.

The financial and operating results in the first half of 2022 indicates a well-oiled machine amid a challenging environment. Total revenues and net income increased 12.9% and 11.5% compared to the same period in 2021. CN's freight revenue per RTM (revenue ton miles) increased 19%, while free cash flow (FCF) grew 22.5% compared to the year-earlier period.

CN's revenue of \$4.3 billion and operating income of \$1.8 billion in Q2 2022 were both record highs. For the month of June, origin train performance (percentage of actual train departure time versus designed train departure time at selected yards) improved by 14% year over year to 91%.

The recently signed Memorandum of Agreement with **Keyera** to evaluate the creation of a specialized clean energy terminal in Alberta's Industrial Heartland is proof that CN is moving forward. Tracy Robinson, CN's President and CEO, said the project will benefit the province and the Canadian economy.

Robinson adds, "The project will offer a unique opportunity to aggregate products from multiple producers and will provide an efficient mechanism to not only support Canadian industry but also further global energy transition."

Global food security

Nutrien is a strong buy today because of the importance of global food security. The \$66.4 billion company commits to transform agriculture and lead the next wave of the agricultural evolution. Its growth initiatives are accelerating in dramatic fashion. In Q2 2022, sales and net earnings jumped 49% and 224% versus Q2 2021, respectively.

Its interim President and CEO, Ken Seitz, said, "Nutrien delivered record earnings in the first half of 2022 due to the strength of market fundamentals, strong operating performance, the advantaged position of our global production assets, and the excellent results of Retail."

For the first half of the year, the net earnings of US\$4.98 billion represents 300% year-over-year growth. However, management is fully aware of and expects supply challenges across global energy, agriculture, and fertilizer markets to persist beyond 2022.

Nutrien is well-prepared to ride out any supply woes by relying on the strength of its projected cash flows. This capital should provide an opportunity to accelerate high-return strategic growth initiatives and return significant capital to shareholders.

Quality assets

CN (1.82%) and Nutrien (1.98%) pay modest but safe dividends. At the share prices of \$155.67 and \$123.18, respectively, you're paying for quality. CN is a trade enabler, while Nutrien will drive the systematic change in agriculture.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:NTR (Nutrien)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:NTR (Nutrien)

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