3 Canadian Dividend Stocks to Buy Hand Over Fist

**Description**

Many investors buy dividend stocks, because they allow them to build a source of passive income. Over time, that source of passive income could grow large enough to greatly supplement or even replace the income you get from your job. That could allow investors to spend more time on things that they're passionate about. In this article, I'll discuss three Canadian dividend stocks that investors should be buying hand over fist.



## Start with this amazing stock

When comparing all **TSX**-listed dividend stocks, **Fortis** (TSX:FTS)(NYSE:FTS) always seems to stand out from the rest. If you're unfamiliar with what this company does, it provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. All considered, it operates a portfolio which consists of about $60 billion of assets under management.

Fortis stands out as an investment for its long history of increasing its dividend distribution. It has managed to increase its distribution in each of the past 48 years. The company also expects to continue increasing its dividend through to at least 2025 at a compound annual growth rate (CAGR) of 6%. That dividend-growth rate could help investors stay ahead of inflation.

## Buy one of the Canadian banks

In my opinion, the Canadian banks should feature in every investor's portfolio. This is because the Canadian banks are such dominant companies within the country. To put their dominance into perspective, four of the nine largest Canadian companies (by market cap) are banks. The highly regulated nature of the Canadian banking industry also makes it difficult for new and smaller competitors to displace the industry leaders.

Of all the Canadian banks, I feel like **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) stands out from its peers. This bank appeals to me because of its unique focus on international growth. Nearly a third of its earnings in 2021 came from sources outside Canada. In addition, this company is a very strong dividend stock. Bank of Nova Scotia has been paying shareholders a portion of its earnings since July 1, 1833. That represents 189 consecutive years of dividend distributions.

## I really like this dividend stock

If you're not convinced by the first two stocks, then consider investing in **Canadian National Railway** (TSX:CNR)(NYSE:CNI). This is Canada's largest railway company. It operates nearly 33,000 km of track which spans from British Columbia to Nova Scotia. Canadian National also operates in the United States, running track as far south as Louisiana.

Listed as a Canadian Dividend Aristocrat, Canadian National has managed to increase its dividend in each of the past 26 years. That makes it one of only 11 TSX-listed stocks to reach that milestone. Over the past five years, Canadian National's dividend has grown at a CAGR of 12.2%.

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3. NYSE:FTS (Fortis Inc.)
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