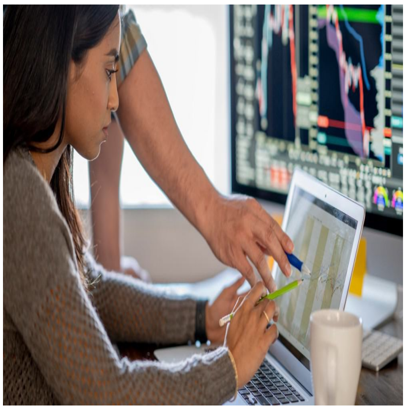

The 3 Best Canadian Dividend Stocks to Buy in September 2022

Description

Dividend stocks have been a refuge for Canadian investors during this tough bear market in 2022. Even though the **S&P/TSX Composite Index** is down 9.2% this year, dividend investors may be seeing better returns, because their dividend income is offsetting book losses.

Yet there are also some bargains out there for those that love high-dividend stocks. You may have to look beyond a quarter or even a few years.

However, there is potential to lock in higher-than-average dividend yields and significant capital returns over the long term. With that in mind, here are three of the best Canadian dividend stocks to buy in September 2022.

Pembina Pipeline: A defensive, high-dividend stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is sitting in a sweet spot. Elevated energy prices are helping to support record revenues and profitability. It gets to earn an elevated spread on the energy products it processes and resells.

However, 90% of its business is contracted to high-quality energy patch tenants. That means that even if oil prices were to decline, this stock still earns a solid baseline of cash flows that support its dividend. Even when oil collapsed in 2020, Pembina faithfully maintained its dividend. That is a testament to its quality business.

Pembina just closed its midstream joint-venture partnership with **KKR**. It now plans to increase its monthly dividend by 3.6% to $0.2175 per share. That now equates to a 5.6% dividend yield.

Summit Industrial REIT

Real estate stocks are a little bit risky right now. However, these stocks are also incredibly cheap, and they pay high dividends. The Canadian central bank is looking to push another 75-basis point rate increase tomorrow. That will continue to raise the cost of debt for real estate borrowers. Yet despite these macro concerns, stocks like **Summit Industrial REIT** (TSX:SMU.UN) continue to perform exceptionally well.

It owns a large portfolio of industrial properties across Canada. It has over 99% occupancy and average lease terms over five years. This signals that it has very long vision for its current and future cash flows.

So far in 2022, funds from operation per unit (a core measure of cash flow for REITs) rose 16.1%! Industrial demand remains strong. Rental rates continue to quickly rise, despite even the macro-economic concerns.

The REIT just increased its monthly distribution by 3% to $0.0488 per unit. Annualized, this dividend stock earns a 3.15% yield. It trades at a huge discount to its private market value and should rise significantly if interest rates stabilize again.

Jamieson Wellness: A dividend, growth, and value stock

Jamieson Wellness (TSX:JWEL) stock does not pay a high dividend. It only yields 1.85% right now. However, for a combination of income, dividend growth, and capital growth, this is a very interesting stock.

Jamieson is one of the largest sellers of vitamins and supplements in North America and the world. The company has been growing by organically increasing its product breadth, expanding geographically, and making smart acquisitions.

Since 2016, this company has compounded annual revenues, earnings per share, and annual dividends by 14.8%, 17.7%, and 22%, respectively. It just completed a huge acquisition in America, and that is expected to provide another leg of strong growth. At 21 times earnings, this dividend stock is cheap compared to history, and it looks like a quality bargain today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SMU.UN (Summit Industrial Income REIT)

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