3 Under-$30 Stocks (With Dividends) to Buy Now

Description

Investors can invest in stocks with whatever savings they have. Even a small savings of $100 per month can help you invest in two to three high-quality stocks and create a portfolio that will generate substantial cash over time. So, if you're planning to invest in stocks with a little capital, consider these under-$30 stocks that pay regular dividends.

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Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is a low-volatility stock that generates predictable cash flows and remains relatively immune to economic cycles. Despite operating a low-risk business, Algonquin Power has delivered decent growth in the past. Further, with its focus on expanding renewable power-generation capacity and consistent earnings growth, Algonquin Power is well positioned to deliver solid shareholders returns in the coming years.

Algonquin Power's cumulative five-year total shareholder return stands at 101%. Meanwhile, it has increased its dividend by an average annualized rate of 10% since 2010.

Its $12.4 billion capital plan will drive its rate-regulated asset base, which would support its earnings and dividend payments. Algonquin Power expects its rate base to increase at a compound annual growth rate of about 15%. Meanwhile, it expects its earnings to grow by 7-9% per annum through 2026.

Overall, Algonquin's conservative business mix, solid dividend payment history, and visibility over future earnings growth make it a solid long-term stock.

Telus

Telus (TSX:T)(NYSE:TU) is an excellent stock for investors looking for growth and income. Also, investors can leverage Telus stock to invest in 5G technology. Its ability to deliver profitable growth, drive customer base, and investments in advance broadband networks augur well for shareholders.

Thanks to its solid earnings base, Telus has returned significant cash to its shareholders ($16.6 billion in dividends). Further, it expects to grow its dividend through the multi-year dividend-growth program.

Its continued investments in strengthening its 5G capabilities and network infrastructure bode well for future growth. Further, a low customer churn rate (blended churn rate below 1%) is positive. Also, the continued momentum in its other verticals, like International, Health, and Agriculture & Consumer Goods, will likely drive its future earnings and dividend payments.

AltaGas

AltaGas's (TSX:ALA) solid mix of rate-regulated utility business and energy infrastructure assets helps it to generate robust cash flows that support its stock price and dividend payments. Notably, a significant portion of its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is derived through assets that have medium- to long-term contractual arrangements.

AltaGas is investing in long-life infrastructure assets that bode well for future earnings, dividends, and FFO (fund from operation) per share growth.

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Further, it projects its rate base in the utility business to increase at an average annualized rate of 8-10% through 2026, which would drive its earnings. Also, its focus on driving the customer base and asset optimization augur well for earnings growth.

Besides the strength in its utility business, its midstream business is expected to benefit from higher export volumes. AltaGas expects global export volumes to grow by 10% annually through 2026.

Given the ongoing momentum in its business, AltaGas expects to grow its dividend at an annualized rate of 5-7% through 2026.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:T (TELUS)

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