3 Canadian Dividend Stocks You'll Regret Not Buying on the Dip

Description

The **S&P/TSX Composite Index** delivered yet another triple-digit jump. It rose 177 points on Tuesday, October 18. Despite the recent momentum, there are still many stocks on the TSX that are reeling from the turbulence we have experienced in the late summer and early fall of 2022. Today, I want to look at three Canadian dividend stocks that investors will regret not buying on the dip. Let's jump in.

Why I'm targeting this Canadian dividend stock in late October

Emera (TSX:EMA) is the first Canadian dividend stock I'd look to snatch up on the dip in the final weeks of October. This Halifax-based company is engaged in the generation, transmission, and distribution of electricity to various customers. Its shares have dropped 13% in 2022 as of close on October 18.

This company released its second-quarter (Q2) fiscal 2022 results on August 10. It delivered adjusted earnings per share (EPS) of $0.59 per share in the second quarter of fiscal 2022 — up 9% from the previous year. Meanwhile, adjusted earnings per share jumped 1% in the first six months of this fiscal year to $1.51.

Shares of this Canadian dividend stock currently possess a solid price-to-earnings (P/E) ratio of 25. The Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a security. Emera sank into technically oversold territory in late September and just managed to climb out of those levels this week. It is not too late to snag this stock on the dip. It also offers a quarterly dividend of $0.69 per share. That represents a strong 5% yield.

Here's a top utility that is set to become a Dividend King this decade

Fortis (TSX:FTS) is a St. John's-based utility holding company. Shares of Fortis have plunged 14% in the year-to-date period. That has pushed the stock into negative territory in the year-over-year period.

In Q2 2022, this company posted adjusted net earnings of $0.57 per common share — up from $0.55 in the second quarter of fiscal 2021. Total adjusted net earnings rose to $272 million compared to $259 million in the prior year. Capital expenditures rose to $1.9 billion in the first half of fiscal 2022. That puts Fortis on track to meet its $4.0 billion annual capital plan.

This Canadian dividend stock has achieved annual dividend growth for 48 straight years. A Dividend King is a stock that has achieved at least 50 consecutive years of dividend growth. Fortis's capital plan should support annual dividend growth of 6% through 2025. Investors should be eager to snatch up what looks certain to become the next Dividend King on the TSX.

One more Canadian dividend stock that has already claimed a crown

Canadian Utilities (TSX:CU) is a Calgary-based company that is engaged in electricity, natural gas, and retail energy businesses around the world. This Canadian dividend stock has dropped 4% in 2022. It is still up 1% year over year.

The company unveiled its second-quarter fiscal 2022 earnings on July 28. Adjusted earnings climbed to $136 million compared to $115 million in Q2 2021. Meanwhile, adjusted earnings came in at $355 million in the year-to-date period — up from $306 million in the first six months of the prior year.

Shares of this Canadian dividend stock possess an attractive P/E ratio of 16. Canadian Utilities is the first TSX stock to become a Dividend Ding. The stock has delivered 50 straight years of dividend growth, last paying out a quarterly dividend of $0.444 per share. That represents a strong 5% yield.

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