



3 Dividend-Growth Stocks to Buy in October 2022

Description

Buying dividend-growth stocks that you can hold for years or even decades is an excellent way to invest for the long haul and put your hard-earned money to work. And after a significant selloff for most of 2022, there are plenty of high-quality dividend-growth stocks to buy in October while they're ultra-cheap.

Plus, in addition to buying these stocks at lower prices and giving yourself more opportunities for capital gains down the line when the market recovers, you can also lock in a higher yield, making these investments that much more compelling.

So, if you've been watching stocks sell off in 2022 and are looking for some of the best deals on the market, here are three dividend-growth stocks to buy. Each offers a yield of at least 6%.

A massive energy infrastructure stock

One of the best dividend-growth stocks to buy anytime, but especially in October after its recent selloff, is **Enbridge** ([TSX:ENB](#)).

Enbridge is an incredibly important business to the North American economy and therefore is an incredibly resilient stock to buy and hold for years.

The stock is a major cash cow earning billions in cash flow each year. This allows it to continue investing in growth and constantly increase the dividend, which it's done for 26 consecutive years.

Furthermore, not only does it offer an attractive yield of over 6.7%, but its payout ratio is extremely safe. The ratio is estimated to be just 64% of its distributable cash flow this year.

Therefore, if you're looking to increase your passive income and buy high-quality dividend-growth stocks, Enbridge is one of the best companies in Canada to own for the long haul.

An ultra-cheap utility stock with a yield of 6.9%

Algonquin Power and Utilities ([TSX:AQN](#)) is another stock similar to Enbridge in that it's unbelievably resistant. It's another Dividend Aristocrat, and it owns key infrastructure assets that are diversified all over North America.

While Enbridge is much larger and primarily owns pipelines, Algonquin offers water, electricity, and gas utility services in several states across the United States. In addition, it also owns renewable energy-generating assets that diversify its operations and expose Algonquin to more long-term growth potential.

So far this year, as bond yields have increased, Algonquin stock has fallen by over 15%, causing its dividend [yield](#) to increase from 4.5% at the end of March to roughly 6.9% today.

This gives investors an excellent opportunity to not only lock in a high dividend yield but also buy a defensive growth stock like Algonquin while it trades ultra-cheap.

At less than \$15 a share, the stock is trading at a forward [price-to-earnings ratio](#) of just 13.4 times, which is below its three-year average of 20 times. If you're looking for high-quality, dividend-growth stocks to buy while they're cheap, Algonquin is a top candidate.

One of the best dividend-growth stocks to buy in October 2022

In addition to Algonquin and Enbridge, **BCE** ([TSX:BCE](#)) is another highly reliable stock that has sold off recently, as bond yields have skyrocketed. While this high-quality telecom stock is cheap, it's one of the best dividend-growth stocks you can buy.

Because BCE owns assets all across Canada, and because the services it offers, such as phone and internet, are essential, BCE has highly robust operations and should expect only minimal impacts on its business from a recession.

Furthermore, its long-life assets consistently earn the stock significant cash flow, so even with a minor impact on its revenue from a recession, the company should be able to continue investing in growth while also raising the dividend each year.

And now, after its recent selloff, BCE stock is offering a yield of roughly 6.2%, which, besides briefly at the start of the pandemic, is the highest yield the telecom stock has offered over the last decade.

If you're looking to buy dividend-growth stocks in this environment, BCE is one I'd certainly recommend you consider.

CATEGORY

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2. NYSE:BCE (BCE Inc.)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)
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