These 3 Dividend Aristocrats Are Total Deals in the Market Correction

Description

Dividend Aristocrats are the perfect stocks to buy and hold through a recession. They are defined as Canadian stocks that have at least five years of consistent consecutive dividend growth under their belt.

Dividend Aristocrats can vary by sector and industry. For long-term, income-focused investors, consistent dividend-growth stocks are some of the best for a combination of attractive returns (dividend and capital gain) and lower risk. If you are looking for some deals to buy in the market correction, here are three stocks to consider:

- **Toronto-Dominion Bank** (TSX:TD)
- **Enbridge** (TSX:ENB)
- **Fortis** (TSX:FTS)

TD Bank

Toronto-Dominion Bank has been paying continuous dividends for 164 years. That is an impressive history. Since 1995, it has grown its dividend consecutively by an 11% annualized rate. Today, TD Bank has risen to become the sixth largest bank in North America.

Its retail branches span across Canada and the eastern United States. This bank is diversified and very well capitalized, making it a solid stock to keep holding, even through tough economic environment. Several American banks have recently reported better-than-expected earnings. Chances are good that TD will also have some decent results, especially since net interest margins have quickly risen.

TD stock is down 11% this year, and it has a nice 4.13% dividend. TD only trades for 10 times earnings, which is well below its average. All in all, it looks like a solid bargain for a conservative income investor.

Enbridge

Enbridge does not quite have the same long-term dividend history as TD. Yet 27 years of consecutive dividend growth is still pretty good. Over the past 15 years, it has increased its dividend by a compound annual rate of 12%. Now, that dividend-growth rate has slowed to the low single digits. Yet it still has a foreseeable long-term opportunity to keep expanding its dividend.

Enbridge's dividend is covered by its large, contracted asset base of pipelines, utilities, storage facilities, export terminals, and renewable power assets. It has around $13 billion of secured projects that are expected to deliver 5-7% cash flow per share growth to 2024.

This dividend stock has fallen nearly 16% in 2022. It has a high 6.9% dividend right now. For a stock that's highly involved in the green energy transition, this is a good long-term holding.

Fortis

Another dividend stock for the long term is Fortis. It has grown its annual dividend rate consecutively for the past 49 years. It just increased its dividend by 6% only a few weeks ago. This utility company has done a great job building an energy transmission and distribution empire. It has operations across five provinces, nine U.S. states, and three Caribbean countries.

Electrification is a major theme in North America. Fortis will be a crucial contributor to building out the energy grid. Right now, it has a $20 billion capital plan, of which, 15% is allocated for clean energy investments.

After its stock has fallen 25% in the past six months, Fortis is trading with a yield of 4.4%. That is almost unheard of for this stock, and its valuation looks very attractive. This is a perfect long-term stock for anyone looking for very low-risk income.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
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5. TSX:FTS (Fortis Inc.)
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