



The 3 Best Canadian Dividend Stocks to Buy Before November

Description

Canadian dividend stocks have been hammered in 2022, but that sentiment could be changing, as interest rates start to stabilize. Just this week, the Bank of Canada raised interest rates 50 basis points, which was lower than expected.

This does not mean the Bank of Canada will stop raising rates. However, it does mean that it is moderating its aggressive approach. All in all, that could provide a positive reversal for Canadian dividend stocks.

Ultimately, the key to [long-term](#) income investing is finding quality businesses that pay well-covered dividends and can consistently grow their dividend. Here are three top stocks that can and should continue to successfully do that going forward.

A diversified infrastructure stock for growing dividend income

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) is down around 7% in the past month. Right now, it is trading with a decent 4.3% dividend yield. Brookfield is a perfect [Canadian stock](#) in the current uncertain economic environment.

It has a diversified portfolio both by asset and geography. This means that it is relatively hedged from the uncertainty of any one economy or sector. In addition, 90% of its assets are contracted/regulated and 70% of its assets have inflation-indexed revenues. This structure supported a 30% increase in cash flows last quarter.

Right now, it has \$3 billion of dry powder ready to deploy, especially if a recession causes asset valuations to decline. It has already added five new assets in 2022 (including the massive **Intel** joint venture).

BIP has grown its dividend by a 10% compound annual growth rate since 2009. Right now, it targets 6-9% dividend growth, which is very attractive, especially compared to other utility peers.

An energy infrastructure stock with a high dividend

Another infrastructure stock that has long-term growth opportunities is **Pembina Pipeline** ([TSX:PPL](#)). After falling 7%, it trades with a huge 6% yield. Given the challenges around energy security in the world, Pembina is very well positioned to provide [infrastructure solutions](#).

It is one of the largest pipeline and midstream operators in Western Canada. Its energy asset portfolio is 90% contracted and its steady pipeline revenues cover its dividend. When energy prices are high, Pembina gets to benefit from higher energy marketing margins. Last quarter, that fueled over 60% earnings growth.

After closing a midstream joint-venture project, Pembina raised its dividend 3.6%. Given a strong project backlog, its dividend should likely keep rising consistently in the coming years.

An anchor for any income portfolio

Toronto-Dominion Bank ([TSX:TD](#)) is trading down 9% this year. It is not often you can buy this quality [bank stock](#) at a discount. But with a price-to-earnings ratio of 10.5 and dividend yield over 4%, this dividend stock looks attractive.

TD is a reliable stalwart stock for dividend income. It has paid a dividend for over a century, and it has grown its dividend annually ever since it listed in 1995. TD is one of the strongest retail banks in North America. It is very well capitalized, and it could see some decent growth after making two large acquisitions in the U.S.

TD has grown its annual dividend by about 9% over the past decade. While this dividend growth may slow, it will likely keep growing its dividend for years and even decades ahead.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:TD (The Toronto-Dominion Bank)

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