



Passive Income: 1 Unstoppable Canadian Dividend Stock to Own Forever

Description

The year 2022 so far has proved to be disappointing for stock investors, as the shares of most growth companies have witnessed a massive [crash](#). These big losses in high-flying [growth stocks](#) are the main reasons the **TSX Composite Index** has dived 9% year to date. Despite big losses in growth stocks — especially from the tech sector — many [fundamentally](#) strong [dividend stocks](#) continue to trade on a strong bullish note, delivering outstanding returns to investors apart from the passive income they receive from dividends.

This is one of the key reasons why it's highly recommended that long-term investors must hold some quality dividend stocks in their portfolio to stabilize it.

In this article, I'll talk about one of the best, unstoppable Canadian dividend stocks you can buy now to hold forever.

The best Canadian dividend stock to own forever

The basic process of choosing dividend stocks to generate passive income isn't as difficult as you might think. You just need to ensure that you're investing in companies with strong financial positions, robust earnings growth, and a well-proven track record of consistently increasing dividends. Considering these three factors, **Canadian Natural Resources** ([TSX:CNQ](#)) could arguably be the best Canadian dividend stock from the [large-cap space](#) that you can buy now.

This [energy](#) giant has a decades-long history of delivering profitable growth with the help of its diverse asset base and efficient operations. Canadian Natural has a [market cap](#) of \$89.1 billion at the time of writing, as its stock trades at \$79.71 per share with solid 52% year-to-date gains, outperforming the main Canadian market benchmark by a huge margin. Now, let me quickly highlight some key fundamental factors that make it the best Canadian dividend stock to own forever for reliable passive income.

A source of reliable passive income

Canadian Natural Resources is well known for its opportunistic acquisitions and flexible capital allocation to maximize output. These are some of the reasons why its total revenue in five years between 2016 and 2021 jumped by 186%. Notably, its adjusted earnings increased by 34% in three years between 2018 and 2021. To add optimism, a stronger commodity price environment and more efficient operations have expanded its profitability in recent quarters.

Moreover, a glimpse of Canadian Natural's robust balance sheet and resilient cash flows can clearly be seen if you look at its dividend-growth track record. During the COVID phase, when the entire energy industry struggled due to a sudden slump in the prices and demand for energy products, CNQ increased its annual dividends per share by 13% in 2020, followed by another 18% hike in 2021.

In 2022 so far, the company has announced a dividend per share of \$3.10, even after excluding its [special dividend](#) of \$1.50 per share — reflecting an outstanding 55% growth over the previous year. With this, its dividend has grown by 182% in the five years between 2017 and 2022.

Bottom line

Besides its excellent financial and dividend-growth track record, Canadian Natural's continued focus on driving profitable growth brightens its fundamental outlook. That's why if you're looking for the best Canadian dividend stock to generate passive income, you can definitely consider buying CNQ to hold forever.

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