



Income-Seeking Investors: Build Wealth With 2 Top Canadian Dividend Stocks

Description

Since the pandemic struck and caused many businesses to shut down and unemployment for millions in its wake, it has become clear that having just one revenue stream cannot secure your financial health. Stock market investing provides you with the opportunity to put your money to work and generate passive income for you.

There are several methods to achieve wealth growth through stock market investing, and [dividend investing](#) is one such strategy to consider. As of this writing, the **S&P/TSX Composite Index** is down by 8.23% from its 52-week high.

The Canadian benchmark index's weakness reflects the performance of the broader market. With stocks across the board trading for discounted valuations, the dividend yields for many reliable dividend stocks have become inflated to higher levels.

Provided you find and invest in the right high-quality Canadian dividend stocks, you can begin generating significant passive income through shareholder dividends. Let's look at two Canadian dividend giants that can be ideal investments for this purpose.

Fortis

Fortis ([TSX:FTS](#)) is a dividend stock of the highest order on the TSX. Fortis is a \$25.97 billion market capitalization Canadian utility holdings company. It owns and operates 10 utility businesses in Canada, the U.S., Central America, and the Caribbean.

It offers electricity and natural gas utility services to roughly 3.4 million customers, generating most of its revenue through highly rate-regulated and long-term contracted assets.

A staple in many investment portfolios, Fortis stock boasts a 49-year dividend-growth streak. Its reliable track record for growing shareholder dividends each year has made it one of the top Canadian Dividend Aristocrats. The company's reliable business model and the essential nature of its services virtually guarantees its payouts each quarter.

Its net profit margin decreased by 5.34% in its September ending quarter, owing to higher borrowing costs. Despite the setback, it reported \$326 million in earnings for the quarter, beating its earnings of \$295 million in the same quarter last year. It can be an excellent addition to your portfolio for dividend income. Trading for \$54.09 per share, Fortis stock boasts a 4.18% dividend yield.

Bank of Nova Scotia

The [top Canadian bank stocks](#) are excellent assets for income-seeking investors, and **Bank of Nova Scotia** ([TSX:BNS](#)) is one of the best picks among them. It is an \$85.27 billion market capitalization Canadian bank stock and is among the Big Six Canadian banks by market capitalization and bank deposits.

Its 189-year streak of paying its investors their shareholder dividends is an excellent reason for that. The only times Scotiabank stock has frozen its payouts were two short periods in 2010 and 2021 due to restrictions from the Office of the Superintendent of Financial Institutions (OSFI).

OSFI can step in to prevent dividend hikes from federally regulated financial institutions if it is necessary to preserve the Canadian economy's stability. As of this writing, Scotiabank stock trades for \$71.36 per share and boasts a juicy 5.77% dividend yield. Its dividend yield is inflated on account of the stock's share prices declining by 24.88% from their 52-week high.

Scotiabank stock trades at a discount compared to its peers, and that's primarily due to its exposure to higher-risk markets. The Pacific Alliance countries make up a significant portion of the bank's international banking operations.

Currently, that exposure impacts its short-term performance but has the potential to deliver stellar long-term growth. At current levels, Scotiabank can be an excellent addition to your income-seeking portfolio.

Foolish takeaway

Whether you are an income-seeking investor who wants to earn a little extra money for monthly expenses or want to accumulate savings for long-term wealth growth, allocating some space in your self-directed portfolio to reliable dividend stocks can be an excellent strategy.

With the market seemingly recovering from its most recent dip, it might be a good opportunity to lock in higher-yielding dividends through reliable blue-chip stocks.

Although not without their risks, Fortis stock and Scotiabank stock are two such investments that can be excellent for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/24

Date Created

2022/12/01

Author

adamothonman

default watermark

default watermark