2 of the Best Dividend Stocks to Buy Before They Recover

Description

Growth stocks had their time over the last few years. Canadian investors became used to seeing practically any company soar upwards, but, in this case, what goes up did have to come down. However, if you're looking for long-term growth, I would look to some solid dividend stocks instead.

Dividend stocks pay out dividends, because they have enough cash on hand to afford it. But that doesn't mean they're ignoring growth. In fact, today I'm going to cover two dividend stocks that should continue to grow in the next few decades — yes, *decades*. So, let's get right to it.

BMO stock

Bank of Montreal (TSX:BMO) is already a solid choice during a downturn thanks to being a Big Six bank. BMO stock is one of the best choices, as it has provisions for loan losses. So, right now, with fewer loans coming in, the company has cash set aside to make up the losses.

However, it's also one of the top dividend stocks out there. BMO stock currently offers a yield at 4.7%. On top of that, it's grown that dividend by a compound annual growth rate (CAGR) of 6.79% over the last decade.

Now for the growth. BMO stock has been expanding its operations south of the border. The bank purchased U.S. operations of Bank of the West. It now has a new revenue stream that investors can look forward to in the near and distant future.

Finally, BMO stock is *cheap*. While the company is growing its operations, it's one of the dividend stocks that you can lock up with a higher yield at a lower share price. It currently trades at just 6.11 times earnings, with shares down 6.5% year to date. All in all, it's a great choice among dividend stocks today if you're also eyeing growth.

Nutrien stock

Nutrien (TSX:NTR) is another excellent choice for those wanting dividend stocks with an eye on growth. In this case, Nutrien stock is a dividend stocks that recently soared up and then came crashing down. But these were for reasons outside of company performance.

How does that work? Nutrien saw a benefit in share price after Russian invaded Ukraine, causing sanctions against Russia. This included crop nutrients, where Nutrien stock focuses its attention. And the company is becoming stronger in this area every day, acquiring business after business.

But it has also seen massive organic growth as well. This became bigger during the pandemic, when the company focused on its online solutions for those seeking crop nutrients. Today, Nutrien stock is stronger than ever.

So, you can also lock up a higher dividend at a lower share price for Nutrien stock as well. It currently trades at 5.17 times earnings, offering a 2.59% dividend yield. Now, it hasn't been around for that long, but even in the last four years, the company has increased its dividend at a CAGR of 6.59%.

Bottom line

Nutrien stock and BMO stock have a solid path to growth over the next few decades. BMO stock has been around for about 200 years, providing investors with a solid history of growth, and more in the future. Meanwhile, Nutrien stock is one of the best dividend stocks that still provides an opportunity in an often-ignored sector. So, jump in while you can!

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1. Dividend Stocks
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