



Beginner Investors: 4 Top Canadian Dividend Stocks for 2023

Description

If you are new to investing, buying Canadian dividend stocks is a great place to start. Dividend stocks often have simple businesses to understand. In addition, earning tangible cash dividends can be a comfort when the stock market is [volatile](#). Here are four top Canadian dividend stocks to buy and hold in 2023 and likely beyond.

TELUS: A top TSX dividend-growth stock

TELUS ([TSX:T](#)) is an ideal stock for its prospects of [growth](#) and income. With a market cap of \$38 billion, it is Canada's second-largest telecommunications stock. This stock earns a 5.25% dividend today.

TELUS has a great history of dividend growth. For the past 20 years, it has grown its dividend by a huge 12.5% compounded annual growth rate. That has slowed to an extent, but this year, it still raised its dividend by nearly 7%.

TELUS is interesting, because it has its stable telecom business that earns predictable cash flows. However, it is re-investing that cash into several digital growth verticals.

These could provide very promising growth in the future. These businesses are hardly factored into the stock price, so investors get the potential for nice upside in the coming years.

Granite REIT: An undervalued real estate stock

If you are looking for a value-priced dividend stock, **Granite Real Estate Investment Trust** ([TSX:GRT.UN](#)) fits the bill. With a market cap of \$4.54 billion, it is Canada's largest industrial real estate stock.

Down 32% in 2022, its stock has not performed well. On the inverse, its business has performed exceptionally well. In fact, adjusted funds from operation (AFFO) per unit (its core measure of

profitability) are expected to rise 8% this year.

This real estate investment trust has one of the best balance sheets in the industry, and it just increased its dividend 3%. It has increased its dividend consecutively for 12 years, which speaks to the quality of its portfolio and business. The stock trades for only 80% of its private market value, so it is a definite bargain right now.

Brookfield Infrastructure: Great assets and a good price

A top stock for value, income, and dividends has to be **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)). It has a market cap of \$24.5 billion and earns a 4.6% dividend today.

Like Granite, BIP's business has performed well, but its stock has not. Its stock is down 15.7% in 2022. Other than the March 2020 crash, it is trading at its [cheapest valuation](#) in nearly five years.

This year, it should grow AFFO per unit by over 12.5%. It operates high-quality essential assets like railroads, ports, utilities, pipelines, and cell towers. 90% of its revenues are under long-term contracts and 75% of earnings are inflation indexed.

This means that its business actually wins from inflationary pressures. It just increased its dividend 6% to add to 12 years of consecutive dividend growth.

Northland Power: A long-term growth stock with a dividend

If you want a dividend stock with a long-term growth trend, **Northland Power** ([TSX:NPI](#)) should be on your radar. It has a market cap of \$9.5 billion, and it pays a 3.13% dividend yield.

Northland operates a [renewable power](#) portfolio around the world. However, it has very niche expertise in developing and operating [offshore wind projects](#). This is one of the fastest-growing segments in the renewable power sector. It is providing Northland ample opportunities to grow.

Northland has not raised its dividend in several years. Rather, it has focused on growing its development pipeline. Today, its developments could more than double its current power capacity by the end of the decade. As new project come online, cash flows should rise, and it's likely its dividend rate will also increase.

CATEGORY

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TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:NPI (Northland Power Inc.)
4. TSX:T (TELUS)

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