



Better Buy: Brookfield Renewable Partners vs. Bank of Nova Scotia

Description

The start of a new year is a perfect time to assess the health of your portfolio and address any areas of concern. 2022 was a painful year for many investors, especially those with a focus on growth stocks. As a growth investor myself, last year was a reminder of the importance of having a long-term mindset.

Coming into 2023, I'm certainly hoping for a better return than what stocks delivered last year. However, I'm remaining cautiously optimistic. With interest rates and inflation still sky high and not expected to drop meaningfully anytime soon, I'm bracing my portfolio for more volatility, at least in the short term.

Building a passive-income stream in 2023

With more volatility expected in the near-term future, I've got a few dependable [dividend stocks](#) on my own watch list. The passive income generated can help offset some of the volatility I'm expecting in the early part of 2023.

Fortunately, for Canadian investors, the TSX is loaded with high-quality dividend stocks. Whether you're looking for a top yield or a dependable payout, or both, there's likely at least one dividend stock for you.

With that in mind, I've reviewed two top dividend stocks that passive-income investors will want to have on their radar in 2023. The two companies are very different from one another but both offer an impressive dividend.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#)), alongside many other [renewable energy stocks](#), has had a rough past 24 months. The stock price has been nearly cut in half since early 2021. Still, though, shares are up 50% over the past five years, which is good enough for more than doubling the returns of the **S&P/TSX Composite Index**.

Brookfield Renewable Partners is a \$22 billion global renewable energy leader. The company has operations spread across the globe, which include a range of different green energy solutions.

Demand for renewable energy is only expected to continue growing, which is why I'm banking on many more years of market-beating gains for this top energy stock.

But growth isn't the only reason I have Brookfield Renewable Partners on my watch list right now. With shares trading near 52-week lows, the dividend yield has shot straight up.

At today's stock price, the company's annual dividend of \$1.72 is good enough for a seriously impressive yield of just about 5%.

If you're a growth investor looking to add a little passive income to your portfolio, this is the dividend stock for you.

Bank of Nova Scotia

For investors looking for a top dividend stock, the Canadian banks are a perfect place to start. The Big Five have some of the highest yields and longest payout streaks you'll find on the TSX.

Heading into 2023, I had **Bank of Nova Scotia** ([TSX:BNS](#)) at the top of my own watch list.

The nearly \$80 billion bank is one of only two of the Big Five currently yielding above 6%. In addition to a high yield, Bank of Nova Scotia has also been paying a dividend to its shareholders for close to 200 consecutive years.

Earning market-beating gains on a consistent basis may be a bit much to ask of this dividend stock. But if you're looking to build a dependable stream of passive income at a top yield, Bank of Nova Scotia is an excellent choice.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:BNS (Bank Of Nova Scotia)

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