



2 Ultra-Stable Canadian Stocks Just Crowned as Dividend Aristocrats for 2023

Description

The Canadian Dividend Aristocrats are magnificent buys over the long haul. Their dividends are as growthy as they are dependable. Though they don't always have market-beating performance, many of them do stand out as names that can produce a portfolio that's better than the TSX Index.

Undoubtedly, the TSX is a top choice for many Canadian passive investors. However, its weighting to certain industries isn't ideal in all scenarios. Last year, the TSX outshined the U.S. averages, especially the Nasdaq 100, which felt the full force of the growth-driven market selloff. And that's thanks to its big weighting in the energy sector.

Nobody knows if oil prices will continue to hold their own as that earnings recession rolls in. Regardless, I remain a big fan of the TSX's top dogs. In this piece, we'll have a look at two ultra-stable TSX stocks that were recently inducted into the S&P/TSX Canadian Dividend Aristocrats Index.

Consider shares of agricultural commodities firm **Nutrien** ([TSX:NTR](#)) and long-time defensive growth play and trash collector **Waste Connections** ([TSX:WCN](#)).

Nutrien

Nutrien really outpaced the broader TSX last year, thanks in part to the surge in fertilizer prices. The stock was way too hot at the start of the Ukraine-Russia crisis. Though shares have since pulled back, now down around 24% from 2022 peak levels of over \$141 per share, I still think the stock can find its legs in 2023, even if demand for commodities slips due to a coming recession.

First, the stock is [cheap](#) at 5.71 times trailing price to earnings (P/E) and 1.58 times price to book (P/B). The 2.36% dividend yield is still bountiful, albeit lower than historical levels. Even if commodities continue to sink, I view Nutrien as a great long-term pick and a dividend-growth gem that's well deserving of its new spot in the Canadian Dividend Aristocrats Index.

The days of sky-high fertilizer prices may be coming to an end, but Nutrien is still a cash cow. Further, expect longer-term secular trends, such as the rising global population and its impact on fertilizer

demand to be boons for Nutrien's long-term dividend-growth prospects.

Waste Connections

Waste Connections is one of my favourite smart-beta companies on the TSX. It's about time that the firm was added to the Dividend Aristocrats Index. Over the past five years, WCN stock has been a very smooth ride upward. The stock has doubled over the past five years, while experiencing less chop than the market averages. With a 0.69 beta, the lower magnitude of volatility is expected to continue, all while Waste Connections continues turning trash into cash.

Undoubtedly, Waste Connections is a wonderful defensive growth stock that can help keep portfolios steady during recession years. With a merger and acquisition strategy that's paid off and one of the widest moats in Canada, I expect the North American waste collector to keep delivering for long-term investors.

The stock recently fell into a correction, opening up an intriguing entry point for investors who've yet to put their latest [TFSA](#) contribution to work. The dividend yield of 0.8% may be small, but it's capable of impressive growth over the next 10 years.

The newest Dividend Aristocrats are great buys

Both WCN and NTR are terrific buys in my books. Between the two names, I prefer WCN stock. It's more predictable, with a track record of market-crushing results that will likely continue over the foreseeable future.

CATEGORY

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