



2 TSX Stocks With a Dividend Bump Coming

Description

Investors looking to buy Canadian stocks have hundreds to choose from. And while you need to diversify your capital by stock and type of stock, there's no doubt that buying high-quality dividend aristocrat stocks on the **TSX** offers numerous advantages.

First and foremost, dividend growth is important and, over the long run, adds up significantly by [compounding your money](#).

In addition, companies that can consistently increase their dividends, especially for many years, are almost certainly excellent businesses that can continually earn a profit and are crucial to their industry or sector.

Therefore, these are some of the best investments you can make and hold for years as core portfolio stocks.

So if you're looking to shore up your portfolio or just buy a high-quality investment that you can confidently hold for years, here are two of the best TSX dividend stocks that consistently increase their payouts to investors.

A top Canadian energy infrastructure stock

There's no doubt that one of the top TSX dividend stocks to buy and hold in your portfolio for years, even decades to come, is **Enbridge** ([TSX:ENB](#)).

Enbridge is a massive energy infrastructure stock known mainly for its pipeline business. Pipeline operations are its largest segment and crucial to the North American economy. Yet, what helps make Enbridge such an incredible stock are all the other businesses it owns and the diversification of its operations.

In total, Enbridge's businesses transport roughly 30% of all the crude oil produced in North America on its more than 28,000 km of active crude pipeline across the continent. The company also transports

nearly 20% of all the natural gas consumed in the United States through its more than 118,000 km of transmission and midstream pipelines in 30 U.S. states and five Canadian provinces.

These businesses alone would make Enbridge a high-quality company, given how important it is to the North American energy market. But its operations don't stop there.

Enbridge also operates North America's third-largest natural gas utility by consumer count. Furthermore, it has an energy storage business, as well as a rapidly growing renewable energy portfolio.

In addition to these operations being highly defensive, they are also businesses that earn Enbridge a tonne of cash flow. These cash streams make it an ideal dividend stock, allowing it to constantly increase its dividend each year.

For over a quarter century now, Enbridge has increased its payout to investors. Not long after announcing another dividend hike back in December, another hike is coming. Investors are set for another bump this month when Enbridge makes its next dividend payment.

So if you're looking for high-quality TSX [dividend stocks](#) that can earn you attractive passive income, Enbridge currently trades roughly 10% off its 52-week high and offers an impressive [yield](#) of more than 6.5%.

A top telecom stock to buy on the TSX

Another impressive TSX stock to buy for attractive passive income is the major telecom giant, **BCE** ([TSX:BCE](#)).

Although BCE and Enbridge operate in completely different sectors, these two businesses have a lot of similarities.

First off, BCE is a massive company and a dominant player in its industry, just like Enbridge. Furthermore, although telecommunications aren't as defensive as energy, it's still an industry with major importance both to consumers and businesses.

Having access to high-quality communications, and especially the internet, is crucial in today's day and age. For this reason, you'll hardly ever see major impacts on BCE's business, even if the economic environment is worsening. During the pandemic, for example, at its worst point, BCE's sales fell by less than 10%.

Another similarity between BCE and Enbridge is that both stocks own long-life assets and therefore are constantly earning tonnes of free cash flow. This allows BCE to consistently increase its dividend, just like Enbridge.

Tomorrow (February 2nd), BCE is set to report its earnings for the fourth quarter of 2022. The telecom is widely expected to increase its dividend again. This hike would extend its dividend growth streak to 14 straight years.

So with the stock already offering investors a compelling yield of more than 5.8% today, there's no question that BCE is one of the top dividend stocks to buy on the TSX.

CATEGORY

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2. Investing

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