3 Canadian Dividend Aristocrats to Buy and Hold for Passive Income

Description

Some market experts boldly predict a strong rebound in the **TSX** by the second half of 2023. Kurt Reiman, BlackRock's senior strategist for North America, expects Canadian stocks to continue outperforming their U.S. counterparts this year. Brian Madden, the chief investment officer at First Avenue Investment Counsel, said the TSX could even enter a bull market.

Despite the economic uncertainty, a survey by HelloSafe in November 2022 revealed that 56.4% of Canadians prefer to put their money in stocks. As of this writing, Canada's primary stock market is up 7% year to date. While the Bank of Canada is ready to pause its rate hike campaign, inflation must decline significantly.

If you're a passive income seeker, stay invested in dividend aristocrats to endure the market volatility. **Canadian Utilities** (TSX:CU), **Imperial Oil Limited** (TSX:IMO), and **Canadian Western Bank** (TSX:CWB) are good investment options in 2023 for their impressive track record of raising dividend payouts.

The only Dividend King

Canadian Utilities, thus far, is TSX's only dividend king owing to 50 consecutive years of dividend increases. At $36.21 per share, the $9.7 billion utility and energy infrastructure company pays a 4.92% dividend. Since most contracted investments are regulated and long-term, management aims to grow dividends in line with sustainable earnings growth.

Performance-wise, CU's total return in 40.4 years is a decent 9,551.7% or a compound annual growth rate (CAGR) of 12%. Last year, amid a tumultuous landscape, the dividend king delivered a nearly 5% positive return on top of the attractive dividend payout. The TSX lost 8.7% for the year.

Best year

Imperial Oil reported solid income results in 2022 due to the favourable energy pricing environment (oil and natural gas) and strong refining margins. In the 12 months that ended December 31, 2022, net income soared 196.1% to $7.3 billion versus full-year 2021.

In Q4 2022 alone, cash flow from operating activities rose 71.4% to $2.8 billion compared to Q4 2021. Its Chairman, President, and CEO, Brad Corson, said, “We are closing the books on what was the best year in the company’s history.”

At $67.56 per share, IMO investors are up 2.4% year to date and partake of the 2.5% dividend. Its dividend growth streak is 27 years. You can look forward to “double-digit returns” once this **Exxon Mobil** subsidiary’s renewable diesel manufacturing facility becomes operational.

Positioned to grow

Canadian Western Bank isn’t a Big Six bank, but its dividend growth streak of 30 years is the longest in the banking sector. If you invest today, the share price is $28.40, while the dividend yield is 4.9%. In fiscal 2022 (12 months that ended October 31, 2022), common shareholders’ income declined 5% year over year to $310.3 million due to a higher provision for credit losses (PCL).

For fiscal 2023, the $2.5 billion bank expects high single-digit annual percentage loan growth and double-digit annual percentage growth in branch-raised deposits. Management also hopes to open a new and scalable growth channel for small business owners courtesy of its digital investments.

Buy-and-hold assets

CU, IMO, and CWB are no-brainer buys for risk-averse investors. You can buy and hold one or all the dividend aristocrats to receive uninterrupted passive income streams every quarter.

CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:CWB (Canadian Western Bank)
3. TSX:IMO (Imperial Oil Limited)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise

8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. cleona
2. cliew

Category

1. Bank Stocks
2. Energy Stocks
3. Investing

Date
2025/09/21
Date Created
2023/02/08
Author
cliew