



3 of the Best Dividend-Growth Stocks That Money Can Buy

Description

The economic uncertainty making Canadian investors nervous has not gone away. However, the **S&P/TSX Composite Index** has been doing well in 2023. Some market experts even believe the Canadian benchmark index can continue outperforming its counterpart south of the border this year. Practicing caution might be a better approach for risk-averse investors, regardless of market circumstances.

If you are a passive-income-seeking Canadian investor, the TSX offers plenty of [dividend investing](#) opportunities. For more reliable dividend income that keeps increasing payouts, allocating money to Canadian Dividend Aristocrats can be a great way forward.

Today, I will discuss three such TSX stocks that offer dividend growth that you can add to your portfolio.

Fortis

Fortis ([TSX:FTS](#)) is, hands-down, one of the top Canadian Dividend Aristocrats you can buy and hold. A staple in many passive-income-seeker portfolios, the \$26.60 billion market capitalization stock owns and operates several regulated utility businesses across Canada, the U.S., the Caribbean, and Central America.

Boasting a 49-year dividend-growth streak, it is set to upgrade its status to Dividend King with a dividend hike next year.

Providing an essential service with predictable cash flows, it is well capitalized enough to pull it off. Its recent-most quarter saw Fortis increase its dividends by 6%, backed by an 8% growth in its earnings. As of this writing, it trades for \$55.39 per share, boasting a 4.08% dividend yield.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is a Canadian Dividend Aristocrat that has reached the status of a

Dividend King. The \$9.80 billion market capitalization is another giant in the utility sector, operating three primary business divisions: power generation, utilities, and global enterprises. It is the only Dividend King on the TSX, generating strong cash flows through regulated and long-term contracts for its essential services.

The diversified global energy infrastructure business relies on its growing earnings base to fund its payouts, with reliable hikes each year. Between 2022 and 2024, Canadian Utilities will deploy \$3.5 billion in capital growth projects, most of which will be allocated to regulated utilities.

It can continue delivering growing shareholder dividends for years to come. As of this writing, CU stock trades for \$36.43 per share, boasting a 4.93% dividend yield.

Canadian Western Bank

Canadian Western Bank ([TSX:CWB](#)) is not one of the Big Six Canadian banks but is a Canadian Dividend Aristocrat, unlike the giants in the industry. A rare Canadian [bank stock](#) among the Aristocrats, CWB stock boasts a 30-year dividend-growth streak. The mid-sized \$2.73 billion market capitalization bank focuses more on niche opportunities in the banking sector.

Unlike focusing on mortgage lending and Ontario, it services commercial clients in Western Canada to fill up most of its loan book. While it is a more volatile part of the Canadian economy, it generates better yields than mortgages and credit cards.

Excellent risk management by the bank has allowed it to maintain a dividend-growth streak for three decades. As of this writing, CWB stock trades for \$28.42 per share, boasting a juicy 4.50% dividend yield.

Foolish takeaway

While not without risks, dividend investing is a sound strategy to keep getting returns on your investments in the stock market, even during market downturns.

Allocating money to Canadian Dividend Aristocrats offers you the best opportunity to buy and hold income-generating assets that pay growing shareholder dividends. Fortis stock, Canadian Utilities stock, and CWB stock can be strong bets for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:CWB (Canadian Western Bank)
3. TSX:FTS (Fortis Inc.)

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