



## 2 Canadian Dividend Stocks to Buy and Hold Forever

### Description

The Canadian market is trading at an all-time high today, but many top **TSX** stocks are trading well below where they were at the start of the year. High-priced [growth stocks](#) led the way in 2020, but we've witnessed a return to value investing this year, leading to selloffs in many market-leading growth companies.

It hasn't been an easy year to pick [market-beating stocks](#), to say the least. Companies that were up more than 100% in 2020 have struggled to keep up with the market this year.

As opposed to trying to pick market-beating stocks right now, I'd suggest looking to add a couple of reliable dividend-paying companies to your portfolio.

With the worst of the pandemic hopefully behind us, the threat of a company cutting its dividend is far lower today than it was one year ago. The pandemic initially forced many businesses into capital-conservation mode, which led to dividend cuts across the TSX throughout 2020.

Fortunately for [Canadian investors](#), there is no shortage of top dividend stocks to choose from on the TSX. Whether you're looking for a high yield or a long payout streak, there's a dividend stock for you.

Here are two top dividend-paying companies that should be on your watch list right now.

### TD Bank

The Canadian banks struggled throughout 2020, as the pandemic led to the lowest interest rates Canadians had seen in years.

Interest rates still remain low today, but the banks are back to all-time highs and outperforming the market. A renewed interest in value investing has helped drive the banks back up, even as interest rates remain far below where they were prior to the pandemic.

In addition to outperforming the market this year, the banks also own some of the top dividend yields.

My top bank pick right now is **TD Bank** ([TSX:TD](#))([NYSE:TD](#)). The bank owns a top yield, has outperformed the Canadian market over the past five- and 10-year periods, and provides shareholders with exposure to the U.S. economy through the bank's growing American operations.

At today's stock price, TD's annual dividend of \$3.16 a share is good enough for a yield of 3.6%.

## Algonquin Power & Utilities

Utility companies are amongst the most dependable TSX stocks you can invest in. Regardless of the economic condition, the utility bill will likely be at the top of the list for both businesses and consumers to pay. That's a major reason why utility stocks tend to fare much better than the broader market during recessions.

Where **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) separates itself from its peers is its renewable energy offering. The \$11 billion company operates wind, hydro, and solar renewable energy facilities that serve customers across the globe.

Largely due to its exposure to the growing renewable energy sector, this top [dividend stock](#) has managed to outperform the market over the past five years.

In addition to the company's growth potential, it owns a top dividend yield. At today's stock price, the utility stock's annual dividend of \$0.84 per share earns shareholders a yield of 4.4%.

If you're looking for a reliable company to earn passive income, utility stocks are what you're looking for. Algonquin Power & Utilities can provide you with both that top dividend and market-beating growth.

### CATEGORY

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## TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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