



3 Top Canadian Dividend Stocks to Buy in April 2021

Description

With the month of April just around the corner, Canadian investors might be looking for some fresh [dividend stock](#) ideas. As bond yields rise, many investors have become concerned about the effects of rising interest rates on higher-yielding stocks.

Certainly, for those with elevated yields and low to minimal growth it is a concern. Yet, for dividend stocks that are growing cash flows — and subsequently dividends — I am less concerned.

In fact, the recent pullback is a nice entry point for income investors looking for some long-term holdings. Given this, here are three great Canadian dividend stocks that I would be looking to pick up on any weakness as we enter April.

A Canadian energy stock with limited commodity risk

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a pretty attractive Canadian dividend stock in this environment. Right now, this stock is yielding almost 7%. With oil prices seeing a dramatic rise in 2021, Pembina stock has had a decent 20% run up since the start of the year.

I particularly like this stock as a pandemic recovery play. The dividend is incredibly safe, with over 90% of cash flows derived from secure, high quality contracts. Given its mix of midstream and pipeline assets, this stock could see a real uptick from a return to normalized oil volumes. Oil demand is recovering, yet supply is still stagnant.

Consequently, in 2022 and beyond, this stock could really see a significant recovery to its pre-pandemic price range.

A Canadian green energy stock

Another great Canadian dividend stock to buy in April is **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)). This stock got beat up due to some impairments that occurred from the Texas extreme weather event

in February. Largely, these are costs that the company can absorb without too much impact (perhaps 5-7% of earnings).

Regardless, this is a Canadian dividend stock you want to own for the next three, five and 10 years. It has a high quality, diversified group of utilities that provide very predictable, regulated cash flows. Similarly, it operates and develops renewable energy projects across North America (mostly in the U.S.). It will stand to benefit from [President Biden's aggressive green energy plan](#).

In addition, the company has an aggressive five-year capital plan that should annually accrete mid-teens adjusted EBITDA growth and high-single digit earnings growth. This Canadian stock pays an almost 4% dividend today, but given the cash flow growth, the dividend has years of upside.

An e-commerce real estate stock

If you like the e-commerce trend across the world, **Granite REIT** ([TSX:GRT-UN](#))(NYSE:GRP-UN) is a stable, high-cash yielding way to play it. Granite is Canada's largest industrial REIT with 107 institutional-grade logistics, e-commerce, and manufacturing properties.

Unlike many REITs, this stock has consistently been growing its funds from operations on a per unit basis. Consequently, it has raised its distribution per unit every year since 2013. In fact, it has grown its dividend payout by 42% over that time. Currently, this Canadian stock yields just below 4%.

This stock has a great management team, a best-in-class balance sheet (25% leverage), and significant opportunities to grow from expanding e-commerce trends across North America and Europe. All-in, this Canadian stock is an ideal way to earn growing income and enjoy technological trends that are transforming commerce forever.

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