



The Top 5 Yields in the TSX 60

Description

When most people think of dividend stocks in the Canadian market, the three sectors that generally come to mind are Telecom, Financials, and Utilities.

However, given the low interest rate environment that we've been locked into, stocks in all 3 of these sectors, and especially the Telecom and Utilities space, are expensive. You don't have to look very hard into these sectors to find a number of stocks trading very close to their 52-week high.

Where's the yield?

For investors looking for juicier yields from Canadian large caps, we must turn to a slightly less traditional source – the Energy sector. All of the top five yielding Canadian large caps are energy related entities. Four of them are oil and/or natural gas producers. The other, **Transalta** ([TSX:TA](#)), is in fact classified as a utility, but is a non-regulated one. The company is exposed to risks that regulated (and lower yielding) utilities don't face.

Tabled below are the top 5 and their respective yields:

Company Name	Current Yield
Penn West (TSX:PWT)	11.3%
TransAlta (TSX:TA)	7.8%
Enerplus (TSX:ERF)	7.5%
Crescent Point (TSX:CPG)	7.3%

Cdn Oil Sands (TSX:COS)	7.0%
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Source: *Capital IQ*

To have a high yield is one thing. To have a sustainable high yield is another. Several years ago, U.S. based research firm Sanford Bernstein found that a yield of 7% or greater served as a great flag to identify those companies that would be forced to cut their dividend at some point.

According to this study, the market currently expects all 5 of these companies to cut their dividend. This may or may not occur, but, with its yield of 11.3%, the market has clearly deemed Penn West's current dividend the "most unsustainable" of the bunch.

If you're looking for sustainable dividend stocks [click here](#) and we'll send you our special **FREE** report "**13 High-Yielding Stocks to Buy Today**". [This report](#) will have you rolling in dividend cheques before you know it!

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Fool contributor Iain Butler owns shares in Canadian Oil Sands. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ERF (Enerplus)
2. TSX:TA (TransAlta Corporation)
3. TSX:VRN (Veren Inc.)

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