



The 10 Highest Dividend Yields of the S&P/TSX 60 Index in May

Description

Dividend investing is popular these days, and for good reason. GICs pay out zilch. Bonds yield next to nothing. And as for saving accounts, don't even ask!

That's why high-yield stocks can be so tantalizing. For income-thirsty investors, they provide an espresso shot of cash flow to any portfolio. Even better, numerous studies have shown that high-yield stocks actually outperform the market over the long haul.

That's why I'm always on the hunt for companies that pay out oversized dividends. So, with this theme in mind, I checked out the highest-yielding stocks in the blue-chip **S&P/TSX 60 Index**. Here are the top 10 names the screen produced.

Company	Market Cap	Yield
Crescent Point Energy Corp.	\$13.3 billion	9.4%
TransAlta Corporation	\$3.1 billion	6.5%
ARC Resources Ltd.	\$7.8 billion	5.2%
Cenovus Energy Inc.	\$17.0 billion	5.1%
BCE Inc.	\$44.8 billion	4.9%
Husky Energy Inc.	\$24.3 billion	4.6%
Inter Pipeline Ltd.	\$10.5 billion	4.6%
Potash Corp./Saskatchewan Inc.	\$32.3 billion	4.6%
Canadian Imperial Bank of Commerce	\$37.6 billion	4.5%
Rogers Communications Inc.	\$22.1 billion	4.5%

Source: Yahoo! Finance

To be clear, this is not a list of formal buy recommendations, but rather a place to start your research. That said, there are some good investment ideas here.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) and **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) both churn out some of the most reliable dividends around. They're both also shunned by investors because everyone knows future earnings growth will be meager at best. Landlines are ancient history and the wireless business is mostly saturated.

Then again, no one should expect any stock paying out more than 4% to produce much earnings growth. You're paying for the distribution and not much else. But with a yield this high, shareholders who sit around reinvesting their dividends will beat most others as the years pass by.

The story is simple with **TransAlta Corporation** ([TSX:TA](#)). It's a well-run utility serving millions of customers across the country. They turn their lights on, you get paid. If the economy slows down, power companies like TransAlta will provide some of the best returns around.

Inter Pipeline Ltd. ([TSX:IPL](#)) owns oil pipelines and terminals across western Canada. Thanks in part to the monopoly status it holds on these assets, this company just reported record quarterly profits. That's great news for its investors because Inter Pipeline returns every penny it can to shareholders. Since going public in 1997, this company has raised its dividend more than sevenfold.

Finally, **Potash Corp./Saskatchewan Inc.** ([TSX:POT](#))([NYSE:POT](#)) is easy to disregard because potash prices are in the doldrums. However, the stock now cranks out a tidy 4.6% yield, and the company is just wrapping up construction on a major new expansion project.

With less cash going into the ground, Potash Corp. is about to start gushing cash flow, which should be returned to shareholders through dividends and buybacks. Management toiled for years developing this mine. Sit back and enjoy the hard work.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CVE (Cenovus Energy Inc.)
3. NYSE:RCI (Rogers Communications Inc.)
4. NYSE:VRN (Veren)
5. TSX:ARX (ARC Resources Ltd.)
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Author

rbailieul

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