The 5 Safest Dividends Yielding at Least 4%

Description

If you're searching for big dividends in Canada, there are certainly plenty of pitfalls. In the past year alone, we've seen high-yielding stocks cut their dividends left and right, and not just in the energy sector. Even among the big dividends remaining, many of them are on shaky ground.

But if you look hard enough, you can find some safe dividends yielding at least 4%, well above what you can get with bonds. Below are the top five.

1. BCE

If you're looking for safe dividends in Canada, the Big Three telecommunications providers are a great place to start. They each face limited competition, are protected by high barriers to entry, and benefit from subscription-based pricing. Better yet, each of them are cashing in on Canadians' increasing thirst for mobile data, and should continue to do so.

BCE Inc. (TSX:BCE)(NYSE:BCE) is the largest of the Big Three, and also has the highest-yielding dividend at 4.8%. It's a great staple for any dividend portfolio.

2. TransCanada

TransCanada Corporation (TSX:TRP)(NYSE:TRP) is constantly in the news thanks to its controversial Keystone XL pipeline. But behind the headlines is a company that has grown its dividend by 7% per year since 2000.

Investors may be turned off by TransCanada's exposure to energy. But the company's pipelines are secured by long-term contracts, which leaves it insulated from declining oil prices. So, the company's 5% dividend is perfectly safe, and should continue to grow as pipeline demand increases in the United States.

3. Bank of Nova Scotia

There's no shortage of concerns surrounding the Big Five banks these days. The Canadian economy is in a recession, interest rates are severely low, and consumer debt is at record levels. As a result, the Big Five bank stocks have declined by an average of nearly 10% over the past year.

But the odds of a dividend cut are very remote. After all, the banks typically devote only 45-50% of net income to dividends. So, even if their bottom lines suffer a big hit, their payout is still affordable. It's no wonder the banks haven't cut their dividends since World War II. And **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) has the highest yield of them all, currently at 4.9%.

4. RioCan

RioCan Real Estate Investment Trust (TSX:REI.UN) is one of North America's largest REITs, with a market capitalization of over $8 billion. RioCan is also very diverse, with a total portfolio of nearly 80 million square feet, and over 7,000 tenancies. Importantly, no tenant represents more than 4% of RioCan's revenue.

RioCan also has a very strong balance sheet, so the likelihood of a dividend cut is very remote. And its dividend yields a juicy 5.6%. That's not a bad trade off.

5. Emera

Utilities generally make for very good dividend stocks. After all, everyone needs to keep the lights on and the fridge running, even when the economy is weak.

Emera Inc. (TSX:EMA) is one strong option in the utility space. The company has raised its dividend 23 times since 1993, without cutting it once. And it just made a massive acquisition in the United States, one that analysts applauded. The purchase should allow for more dividend hikes down the road. It's something shareholders can look forward to as they collect their 4.3% dividend.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:TRP (Tc Energy)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:EMA (Emera Incorporated)
7. TSX:REI.UN (RioCan Real Estate Investment Trust)
8. TSX:TRP (TC Energy Corporation)

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