



## Retirement Income: 5 High-Yield Stocks Paying up to 7.6%

### Description

Buying stocks based on just their high dividend yields is a recipe for disaster. Many investors have lost their shirts by making hasty investment decisions.

However, I still think you can find companies that offer both safety and attractive yields. All you have to do is to find names with sustainable cash flows, a track record of dividend payments, and manageable debt loads.

You also need to look deeply into the companies' market position in the sector in which they're operating. Often, companies with a greater market share and predictable revenue stream can sustain high dividends for a longer period of times than weaker players.

Keeping all these considerations in mind, here are five top names that currently offering high dividend yields.

Stock	Dividend Yield	Market Cap
<b>Canadian Imperial Bank of Commerce</b> ( <a href="#">TSX:CM</a> )( <a href="#">NYSE:CM</a> )	4.94%	\$46.49 b
<b>Enbridge Inc.</b> ( <a href="#">TSX:ENB</a> )( <a href="#">NYSE:ENB</a> )	4.96%	\$81.81 b
<b>Altagas Ltd.</b> ( <a href="#">TSX:ALA</a> )	7.61%	\$4.73 bi
<b>First National Financial Corp.</b> ( <a href="#">TSX:FN</a> )	7.01%	\$1.59 bi
<b>RioCan Real Estate Investment Trust</b> ( <a href="#">TSX:REI.UN</a> )	5.92%	\$7.76 bi

Source: Google Finance

Let's say a few words about these stocks.

Canadian banks are the best dividend payers, and it's quite unusual that you'll find a dividend yield in the range of 5% offered by a Canadian bank. CIBC is a solid stock with a great track record of increasing its payout. Its current valuation makes it an attractive candidate for your retirement portfolio

after a recent pullback in its stock price.

Among energy stocks, Enbridge is one of the most attractive and solid stocks, offering a return which is higher than its normal range. Rising interest rates in Canada make owning utilities and energy stocks less attractive when compared to safe-haven government bonds.

Still, you'll pick up a nice yield when you compare Enbridge's return to the government's 10-year bond, which yields just 1.986%. Enbridge is also a great dividend-growth stock. For the next several years, the company has plans to increase its dividend payout by 10-12% each year through 2024.

Real estate investment trusts (REITs) provide another avenue to earn higher returns for your retirement income portfolio. REITs manage residential, commercial, and industrial properties with an aim to maximize their dividend payouts. These trusts are eligible for big tax breaks, which allows them to pay out consistent and high distributions. Canada's largest REIT, RioCan, is my favourite pick in this space.

First National Financial Corp. is currently offering one of the highest returns in the financial space. It's an alternative mortgage lender.

Worries about the overheated housing markets after the near-collapse of **Home Capital Group Inc.** are keeping investors away from mortgage lenders in general. But First National has a solid mortgage business. Despite a cooling housing market in Canada, I don't see any signs that borrowers are in distress, especially at a time when the job market remains strong and the Canadian economy is performing much better.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

## TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FN (First National Financial Corporation)
7. TSX:REI.UN (RioCan Real Estate Investment Trust)

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