

## 3 Top Dividend Stocks Yielding 8%

### Description

The markets have [struggled](#) this year, and while that may have hurt your portfolio in the short term, it has created many great bargains that could generate great returns for you in the coming years. This is especially true for dividend stocks that are now providing investors with higher yields; however, that may not last for long, as we're witnessing the beginning of a recovery.

Below are three stocks that have seen their dividend yields rise to around 8% as their share prices have crashed over the past year, making them great buys today.

**Altagas Ltd. (TSX:ALA)** has struggled in the past year as its share price has declined more than 16% in the last 12 months. The stock already had a high-paying yield before the drop in price, and it's now shot up to around 8.5%. Monthly installments will give your portfolio a great source of recurring cash flow.

While investors might be concerned about its payout ratio given that Altagas' earnings per share (EPS) in the trailing 12 months has been just \$0.18, which isn't even enough to cover one monthly payment, that hasn't stopped the company from [recently hiking its payout](#).

However, one reason for investor optimism is that Altagas has produced positive free cash flow over the past four quarters, and with oil prices continuing to rise and the industry on its way to recovery, there is significant potential for Altagas to grow its bottom line.

In five years, Altagas' dividend has increased by 52% for a compounded annual growth rate of 8.7%. What's perhaps most impressive is that the company has been able to do this even during the downturn in oil prices.

**TransAlta Renewables Inc. (TSX:RNW)** is another stock that could see a lot of upside as demand for renewable energy rises. While it may still be years and even decades away from being the dominant source of energy, it makes it a great undervalued buy for the long term.

In the past 12 months, the stock has lost more than a quarter of its value, and its dividend is now yielding just under 8%. Although the company has struggled to make a profit and has hovered around breakeven the past couple of years, it has generated strong free cash flow during that time. Last year, TransAlta paid out more than 84% of its free cash in the form of dividends. While that may be a bit high, in the previous year it was only 73%.

**Just Energy Group Inc. (TSX:JE)(NYSE:JE)** has had the largest sell-off of all three stocks listed here as it's declined more than 36% in the past year. The decline in price has pushed its yield up to over 9% per year.

The company's EPS has come in at \$1.19 in the trailing 12 months and is more than double the \$0.50 per share that the company pays out in annual dividends. The company has also had positive free cash flow in each of the past four years, and in its last two fiscal years, it has paid out just 52% of that

as dividends.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:RNW (TransAlta Renewables)

## PARTNER-FEEDS

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