Are These Canada's Best Unsung High-Yield Dividend Stocks?

Description

Banking, gold, and real estate sound like cliched choices for Canadian dividend stocks, but the fact is that the three picks below pay some of the best dividend yields on the TSX at today's prices. Great choices for RRSPs, RRIFs, or TFSAs, the following three stocks should make welcome additions to any domestic investment portfolio.

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Centamin (TSX:CEE)

Gold is still on many investors' lips at the moment, with prices in the yellow metal remaining slightly volatile. It's still one of the most defensive commodities you can get invested in though, and this stock in particular looks set to reward long-term shareholders.

If you like cheap gold, then you're not alone; you're also in luck, because this quality miner is discounted today by 34% of its projected cash flow value. Its market fundamentals look great for a precious metal miner, too: consider a sober P/E ratio of 11.3 times earnings, a responsible PEG ratio of 1.2 times growth. And a level-headed P/B ratio of 1.2 times book. All in all, this a high-quality stock.

While you may want a miner to have a lot to look forward to ahead of it, a 9.3% expected annual growth in earnings is fairly par for the course. This follows on from a return on equity of 19% last year, which is fairly high efficiency in terms of use of shareholders' investments; throw in zero debt and these three factors go towards the high quality of this stock. What really tops it all off though is an impressively large dividend yield of 8.55%.

Laurentian Bank of Canada (TSX:LB)

This high-quality banking stock shows up a lot in these kinds of lists, but not enough seems to get written about this solid provincial powerhouse. Almost perpetually discounted, or so it seems, today you can pick up shares in this finely tuned dividend stock at a discount of 27% versus its expected cash flow value.

Great fundamentals underline why this banking stock is worthy of your investment: a P/E ratio of 8.3 times earnings, PEG at 1.2 times growth, and P/B of 0.9 times book to back up a solid dividend yield of

5.5% at today's share price. In terms of outlook, Laurentian Bank, much like any other bank in Canada today, isn't looking at massive growth; a 6.9% expected annual growth in earnings is at least positive.

Artis REIT (TSX:AX.UN)

Office, retail, and industrial properties make up this REIT's list of properties, so if you hold residential REITs, then Artis is a good way to branch out. Discounted by 40% compared to its future cash flow value, Artis clocks in with a P/E of 8.4 times earnings and P/B of 0.8 times book, both of which underpin a large dividend yield of 8.74%.

A 5.5% expected annual growth in earnings is in line with the sector, though debt levels of 95.7% of net worth may make your eyes water; it seems that if you want an REIT that holds low debt, then you're going to have to do a lot of digging.

The bottom line

A diversified trio of top dividend picks, these three passive-income beauties would slot perfectly into a retirement portfolio or another long-term investment account. Checking out the market fundamentals for these dividend stocks goes some way to verifying that they are worthy of investment, though looking around for lower debt in anything connected to real estate would be a prudent move at the moment.

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