2 High-Yielding Dividend Stocks That Could Power Your TFSA

### Description

Focusing on the high-yielding stocks is often not a winning strategy. A dividend yield that looks extremely attractive could be a sign of imminent payout cut. But if you do your homework right, you can identify some opportunities for your long-term portfolio, such as the Tax-Free Savings Account (TFSA).

Here are two Canadian dividend stocks you can consider stashing in your TFSA, as both players are solid dividend stocks and currently offer high dividend yields.

## Brookfield Renewable Partners

Investing in companies that provide basic energy infrastructure has proved a successful income-generating strategy. One big advantage of investing in these companies is that their rate-regulated structure helps them generate stable cash flows to pay steadily growing dividends.



In this category, I like Bermuda-based **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP), a clean energy provider. The company is well positioned to benefit from the worldwide push to use environment-friendly sources for power generation.

The International Energy Agency sees continued strong growth in renewables through 2022, with renewable electricity capacity forecast to expand by over 920 GW — an increase of 43%.

Producing 16,000 MW of capacity and managing 820 facilities in North America, South America, Europe, and Asia, Brookfield has a strong portfolio of projects.

Just like most income stocks that are under the selling pressure due to the rising interest rates, BEP's value is also down in 2018. But after a 16% pullback in its stock price this year, Brookfield's forward dividend yield looks extremely attractive at 6.9%. TFSA investors can take advantage of this opportunity to lock in this hefty yield in a company that is growing and producing strong cash flows.

## Enbridge

Toronto-based **Enbridge** (TSX:ENB)(NYSE:ENB) is another high-yielding energy utility that TFSA investors should consider stashing in their portfolios. The company operates North America's largest pipeline infrastructure and has an impressive development plan.

Enbridge pays $0.67-a-share quarterly dividend. Over the past 20 years, the dividend has grown at an average compound annual growth rate of 11.7%.

Going forward, Enbridge is expecting 10% growth in the annual dividend through 2020, as it undertakes $22 billion development projects that, on completion, will fuel more growth in the company's cash flows.

Enbridge stock is under pressure since it acquired Spectra Energy last year. That deal raised the company's debt load, raising doubt about future payout hikes.

Trading at $43.79, the stock currently yields 6.2%. I believe this is a good risk/reward equation for long-term investors, as I believe the company will come out of this bearish spell after its sustained turnaround efforts.

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3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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