3 Dividend Stocks That Pay You More Than Enbridge Does

Description

It's hard to come up with a better feeling than the joy that comes from dividend stocks. Every quarter, without fail, investors with dividend stocks get income from their stocks that involved nothing more than the initial purchase.

Frankly, a good dividend stock is a pretty great deal for everyone involved.

One of the top stocks that analysts like to recommend is **Enbridge Inc.** (TSX:ENB)(NYSE:ENB), a stock with a solid balance sheet, a strong future outlook, and a 6.23% dividend that can make it hard to beat.

But just because Enbridge is a strong dividend stock, it doesn't mean it's the only option for passive income seekers.

Today we'll be looking at **Royal Bank of Canada** (TSX:RY)(NYSE:RY), **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) and **BCE Inc.** (TSX:BCE)(NYSE:BCE) as some dividend stocks that not only provide a dividend that's even higher than those offered by Enbridge.

Royal Bank

Royal Bank has maintained a top spot among Canadian banks for decades, and is now Canada's largest bank based on market capitalization rate. At current share prices, this stock offers today's investors huge dividends well below fair value price.

The reason behind the slump in stock price is due to the banking industry as a whole. Analysts are wary that a recession could come any time now, making investors nervous about buying up the stock, and in many cases selling it while they can. But for the long-term investor, now is the perfect time to buy this long-term stock.

That's mainly due to the company's recurring revenue coming in from the bank's expansion into the United States, and the wealth and commercial management sector. These two areas provide both diversification in times of trouble and high-margin gains for the bank.

At a price of $104.42 per share at writing, the stock looks like a bargain, with analysts predicting a price of $122 in the next 12 months. Finally, the dividend yield of 3.91% translates to $4.08 per share dished out quarterly, beating Enbridge by $1.13 per year.

CIBC

Another bank taking up a top spot is CIBC, but while it might not be Canada's largest bank, it does offer investors the highest dividend yield. And after a huge downturn, the share price couldn't be better for today's investors.

CIBC didn't perform well in its recent quarters compared to stocks like Royal Bank. The bank had an 11% drop in profit last quarter, and analysts are nervous about the bank's immediate future, as it is the most exposed to the Canadian housing market during a downturn.

Yet analysts don't think its current share price is warranted, placing it at a significant discount compared to fair value. While the bank is the least diversified of the top Canadian banks, it is still set up for meaningful growth for long-term investors.

At a share price of $102.26 at writing, the stock is far below its net asset value (NAV) of about $125 per share. In the next 12 months, analysts believe it could get back to that NAV and beyond to even $130 per share.

Its dividend yield of 5.44% translates to $5.60 per share annually, beating Enbridge by $2.65 per year.

BCE

Finally, we have BCE in a shift away from the banking industry, a telecommunications company that has finally pushed itself to a competitive advantage amongst the other four biggest Canadian providers of wireline and wireless services.

There are two things driving telecommunications right now: 5G, and fibre optics. Fibre optics cables are where BCE has a significant advantage as the industry leader in the area. It could take years for other telecomm companies to catch up.

It also leaves the company better positioned to transition to the 5G network, which should need fibre capacity. All BCE really has to do to stay on top at this point is keep pumping out strong revenue through its increasing subscriptions.

The stock is still undervalued, but not by much. The stock trades at writing at $60 per share, with fair value closer to $64, and in the next 12 months that could grow to $70.

Meanwhile, the stock offers investors a 5.24% dividend yield, translating to $3.17 annually. That's $0.22 more than Enbridge.

Foolish takeaway

Enbridge is a great stock option, but it isn't the only one for passive-income seekers. Any one of these three stocks offers investors with some great options to expand their dividend portfolio. So use this as a means to expand your research, and hopefully expand your bottom line.

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