



3 TSX Index Stocks With Dividend Yields Higher Than 5%

Description

The stock market can be a volatile place. With stocks swinging up and down on a daily basis, often with no apparent rhyme or reason, owning them can be a stressful experience. Particularly with small-cap stocks, the level of volatility alone can be enough to trigger a panic sell at a significant loss.

In this environment, dividend stocks are an oasis in the desert. Offering reliable payouts no matter what the market does, they provide a steady income stream, even when their prices are falling. Of course, dividends can be cut — and often are during recessions or after weak earnings. However, dividends are still among the most reliable income streams an investor can obtain.

If you're looking for solid stocks with high and dependable dividend income, the following three may fit the bill.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is Canada's largest pipeline company — the operator of one of the world's most sophisticated crude oil and natural gas transmission systems. The company ships over 1.4 million barrels of petrochemicals a day in total. As a pipeline company, Enbridge profits from oil shipments whether or not the price of oil is strong. This is in contrast to exploration and development companies, which lose revenue when oil falls.

Enbridge stock pays a dividend that yielded 6.67% as of this writing.

CIBC

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is one of Canada's Big Five banks. After being [caught with its pants down](#) during the great recession, it acquired a reputation as one of the weaker Canadian banks — a reputation it hasn't quite recovered from. CIBC's growth has indeed been fairly tepid compared to some of its peers, so its lower valuation may be justified.

However, CIBC's low stock price has one happy consequence: it pushes its dividend yield higher. At 5.41%, it's the highest among the Big Six banks.

RioCan Real Estate Investment Trust

RioCan ([TSX:REI.UN](#)) is a REIT that develops high ticket properties in Toronto and other major metro areas. The company's most notable development projects include The Well and e-Place in the GTA.

RioCan has faced some criticism over the years for its focus on retail space. There's a general perception that e-commerce is going to gradually [kill or curb the growth of retail stores](#), and many of RioCan's top properties cater to such outlets. However, it should be noted that many of RioCan's retail spaces house popular "magnet" stores that bring in tourists, which may protect it from the general stagnation in retail. In addition, the company has embarked on a diversification project, expanding into office and residential space. For example, one of its current Ottawa projects, Frontier, is intended exclusively for residential use.

RioCan's units pay a distribution that yields 5.5% at current prices.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
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