3 High-Yield Dividend Stocks Offering up to 7.1%

Description

Hi there, Fools. I'm back to highlight three top high-yield dividend stocks. As a reminder, I do this because stocks with attractive yields

- provide a healthy income stream in both good and bad markets; and
- tend to outperform the market over the long run.

The three stocks below offer an average dividend yield of 5.4%. If you spread them out evenly in a $250K RRSP account, the group will provide you with an annual income stream of $13,500 — on top all the appreciation you could earn.

Let's get to it.

Heavy metal

Leading off our list is steel and metal products specialist **Russel Metals** (TSX:RUS), which currently offers a juicy dividend yield of 7.1%.

Trade concerns and slumping steel prices have weighed heavily on the stock over the past year, but a recent uptick could signal a prolonged turnaround. The shares are up about 15% ever since posting its Q2 results in early August.

Over the first six months of 2019, revenue is up 3% to $1.97 billion, while the company has generated $102 million in free cash flow.

"Overall demand, while lower than 2018, remained steady in all three segments," said CEO John Reid. "World trade uncertainty tempered manufacturing growth particularly in the agricultural, heavy equipment, transportation and construction industries."

Russel shares are down about 22% over the past year.

Profit pipeline

With a healthy dividend yield of 5%, midstream energy company **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is next on our list of fat income stocks.

Pembina's big dividend continues to be supported by seemingly non-stop growth, impressive integrated assets, and an investment-grade credit rating. In fact, the company has delivered a whopping $7.5 billion in dividends since its inception in 1997.

In the most recent quarter, EPS topped estimates by $0.68 as revenue improved 4% to $1.8 billion.

"Our teams continue to see a steady flow of new business development opportunities and we are confident that Pembina is best positioned to meet customer demand for integrated services and higher realized prices for their products," wrote Pembina.

Pembina shares are up 12% over the past year.

Here comes the sun

Rounding out our list is energy giant **Suncor Energy** (TSX:SU)(NYSE:SU), which currently offers an attractive dividend yield of 4.2%.

Weak energy prices have weighed on the stock over the past year, providing long-term income investors with a prime opportunity. In the most recent quarter, Suncor was able to leverage its wide asset base to increase funds from operations (FFO) 10% to a Q2 record of $3 billion.

Total production during the quarter spiked 21% year over year to 803.9K boe/day.

"Strong cash flow generation and our commitment to capital discipline allowed us to return value to our shareholders through $658 million in dividends and $552 million in share repurchases while, at the same time, strengthening our balance sheet," said CEO Mark Little.

Suncor shares are down 21% over the past year.

The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

Fool on.

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Date
2025/06/28
Date Created
2019/09/16
Author
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