3 Top Passive-Income Stocks Yielding up to 4.8%

Description

Hello again, Fools. I'm back to highlight three top dividend stocks. As a reminder, I do this because solid dividend stocks

- 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 2.5%. If you spread them out evenly in a $250K RRSP account, the group will provide you with an annual income stream of $6,250 — on top all the appreciation you could earn.

Let's get to it.

Chugging along

Leading off our list is railroad giant **Canadian National Railway** (TSX:CNR)(NYSE:CNI), which currently sports a dividend yield of 1.9%.

CN's diversified cargo base (includes both raw materials and finished goods), massive network of 20,000 miles of track, and high barriers of entry should continue to generate strong cash flows for decades to come.

In the most recent quarter, EPS of $1.73 topped estimates by $0.07 as revenue improved 9% to $4 billion. Looking ahead, management still aims to deliver 2019 adjusted diluted EPS growth in the low double-digit range.

"Our focus on delivering profitable growth and advanced technologies to modernize our scheduled railroading model is expected to continue driving long-term value creation for our shareholders," said CEO JJ Ruest.

CN shares are up about 12% so far in 2019.

Bank on it

With a dividend yield of 4.8%, financial services gorilla **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is the next top income play on our list.

Scotiabank's long-term returns and dividends continue to be supported by a highly regulated banking environment in Canada, massive cost advantages, and an increasingly diversified revenue stream.

In the most recent quarter, EPS of $1.88 beat expectations by $0.03 as revenue increased 11% to $8 billion. Scotia's key Canadian Banking segment posted double-digit deposit growth while International Banking delivered double-digit earnings growth.

"Meaningful progress was made this quarter to re-position the bank and simplify the operations," said CEO Brian Porter. "As a result, we are better positioned for growth in our key markets."

Scotia shares are up roughly 8% so far in 2019.

What a waste

Rounding out our list is waste management leader **Waste Connections** (TSX:WCN)(NYSE:WCN), which currently offers a dividend yield of 0.7%.

Waste Connections's highly fragmented operating environment, razor-like focus on exclusive markets, and sheer economies of scale should continue to underpin strong long-term returns and an increasing dividend.

In the most recent quarter, operating cash flow clocked in at a solid $358 million, as revenue increased 10.5% to $1.4 billion. Moreover, operating margin expanded 77 basis points to 17%, suggesting that the company's competitive position remains strong.

"The strength of our financial profile and free cash flow generation keeps us well-positioned for additional acquisitions and organic growth opportunities, while maintaining the flexibility to increase the return of capital to shareholders," said CEO Worthing Jackman.

Waste Connections shares are up 20% in 2019.

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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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:WCN (Waste Connections)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:WCN (Waste Connections)

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