3 Top High-Yield Stocks to Nail Down Before 2020

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 4.2%. So, if you're looking to boost your dividend income in 2020, this list is probably a good place to begin.

Let's get to it.

Natural selection

Kicking things off is oil and gas giant **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ), whose shares sport an attractive dividend yield of 4.5%.

CNQ leans on its massive scale (it's the largest oil producer in Canada), diverse portfolio, and oil sands mining expertise (no declines in over 50 years) to deliver consistent cash flows for shareholders. Over the first half of 2019, in fact, the company has returned a whopping $1.48 billion to shareholders — $852 million by way of dividends and $632 million through share repurchases.

"Throughout the first half of 2019, we were able to deliver on our four pillars of capital allocation through disciplined economic resource development, increasing returns to shareholders, strengthening our balance sheet and opportunistically acquiring accretive assets," said Vice-Chairman Steve Laut.

CNQ shares are down 13% over the past year.

Electric opportunity

With a healthy dividend yield of 4.3%, electricity giant **Emera** (TSX:EMA) is our next high yielder.

Emera's consistent dividend continues to be underpinned by an impressive asset base ($32 billion in total assets), geographic diversification (Canada, U.S., and the Caribbean), and highly stable cash flows. In the most recent quarter, operating cash flow improved $8 million to $775 million.

"We have made significant progress on strengthening our balance sheet and optimizing our allocation of capital among our businesses," said CEO Scott Balfour. "While near-term earnings will be impacted by asset sales, these efforts reinforce our confidence to deliver long-term earnings and dividend growth for our shareholders."

Emera shares are up 28% so far in 2019 and sport a comforting beta of 0.5.

Conservative pot play

Closing out our list is potash giant **Nutrien** (TSX:NTR)(NYSE:NTR), which boasts a healthy dividend yield of 3.7%.

Nutrien utilizes its unmatched scale — over 27 million tonnes of potash, nitrogen, and phosphate sales — and diversified portfolio to deliver consistent results for shareholders.

The company returned $2.8 billion to shareholders in 2018 through dividends and share repurchases. And over the first half of 2019, Nutrien has generated a whopping $1.7 billion in free cash flow, up 47% from 2018.

"Nutrien delivered earnings growth in the first half of 2019 despite unprecedented wet conditions in the US, demonstrating the strength of our business model and asset mix," said CEO Chuck Magro. "Nutrien remains focused on factors under its control and creating long-term value for stakeholders."

Nutrien shares are down 11% 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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1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:NTR (Nutrien)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:EMA (Emera Incorporated)
5. TSX:NTR (Nutrien)

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