3 Great TSX Stocks With +4% Yields to Buy in 2020

Description

Dividend investors have some great value stocks on offer at the moment, with some sturdy sectors getting overlooked amid mounting uncertainty in the markets. Here are three of the best dividend stocks on the TSX currently yielding in excess of 4%.

Diversified energy with a +4% yield

With a 4.32% yield, **Canadian Utilities** is a defensive play on essential household energy services. Covering natural gas and electricity, this is the kind of a business a defensive value investor could buy low and pack into a TFSA, RRSP, or other long-range passive-income savings plan. As a member of the **ATCO Group**, Canadian Utilities is defensively large, passively rewarding, and low risk through diversification.

Canadian Utilities covers the generation, transmission, and distribution of electricity as well as natural gas and water pipelines. With international diversification across the whole of North America as well as Australia and the U.K., Canadian Utilities also has a focused stake in energy services in Alberta with its ATCO Energy outfit.

A rich and reliable mixed-media play

It's easy to look at political unrest south of the border and condemn a stock according to strictly North American performance. However, flexible packaging company **Transcontinental** operates beyond Canada and the U.S., with revenue drawn from South America, the U.K., Australia, and New Zealand. It's not just this geographical spread that offers diversification, though, with operational variety also on display.

Investors who take a punt on this successful business have a range of benefits on offer, from a nearly 70% fair-value discount to mild growth in income and a meaty and dependable dividend of 5.62%. Transcontinental is also a media player, with printed services featuring heavily in its business.

A high-yielding metals stock

It’s been a rough couple of year for metals stocks, but there’s still plenty to recommend the strongest players in this sector. While manufacturing stocks are among the assets a low-risk investor way want to be divesting themselves of as uncertainty in the markets continues to mount, there is always room for the rare exception to the rule.

One such stock is **Russel Metals**. With the simple mission statement of steel and metal product distribution in North America, the strict value investor will be rewarded with a stock selling with more than a 25% discount off its fair value. As with Transcontinental, there is also some growth in income expected, with a +10% annual growth rate forecast.

What’s more, Russel Metals pays a tasty and reliable dividend yield of 6.7%. It’s also diversified across industries, with machinery and equipment manufacturers, construction businesses, shipbuilding outfits, and natural resource companies such as mining and petroleum customers represented. As a one-stop stock that provides access to a broad spectrum of sectors, this rich-yielding stock is a buy.

The bottom line

For passive-income investors feathering a dividend nest with discounted stocks, a contrarian market is emerging amid ratcheting uncertainty. With stocks like Canadian Utilities, Transcontinental, and Russel Metals exhibiting a blend of value and rich dividends, there are plenty of reasons to keep buying Canadian stocks right now.

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