TFSA Investors: 3 High-Yield Dividend Stocks to Buy in February

Description

We're heading into February with the **TSX** near record highs, yet there are still plenty of high-yield dividend stocks for income-hungry investors to choose from.

Over the past year, many of Canada's largest companies have raised their dividends significantly, resulting in continued high yields despite steady stock market gains.

As fears of a recession dissipate, many companies are increasing their earnings forecasts, which could power even more income in the future. The following are three high-yield dividend stocks set to pay significant sums of cash money to shareholders in February and beyond.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is among the highest-yielding Canadian dividend stocks. With a 6% yield, it pays $6000 in annual income on every $100,000 you invest. This year, Enbridge's management once again raised the dividend, capping a 20-year trend that has witnessed 12% compound annual dividend growth.

From 2015 to 2018, Enbridge grew its earnings significantly, from $250 million to $2.8 billion. Last year looks appears to have been another big earnings year, with $949 million in earnings in the most recent quarter alone.

If Enbridge's Line III and Line V infrastructure upgrades go ahead as planned, then they should drive even more income for the company, leading to more dividend increases in the future.

Algonquin Power & Utilities

Algonquin Power & Utilities Corp (TSX:AQN)(NYSE:AQN) is a small Canadian utility company whose customers are mostly based in the United States.

It delivers clean energy to customers through its Liberty Power subsidiary, and water, utilities and natural gas through its Liberty Utilities subsidiary. Liberty utilities has over 750,000 customers, primarily in the American Mid-West.

In recent years, Algonquin Power & Utilities has experienced significant growth, seeing its net income increase from $97 million to $194 million in three years.

Similarly, free cash flow has grown from $-88 million to $85 million. This is impressive growth, and has driven growth in Algonquin's dividend as well; the stock currently yields 3.7%.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's fastest-growing banks. It has a massive presence in the U.S., which has powered significant growth, not only in earnings, but also in dividends.

Over the past five years, TD's dividend has increased at a compound annual growth rate of 9.7%. That's in line with the company's earnings growth. TD's payout ratio is still only 46% after all these years of dividend increases.

Last year, TD faced some headwinds relating to its **TD Ameritrade Business**, which got caught with its pants down on no-fee trading. That business was ultimately acquired by **Charles Schwab**, a firm much better equipped to deal with no-fee trading than TD Ameritrade itself.

The deal will likely ultimately be a net winner for TD, which will own 13.4% of SCHW when the deal closes. That makes TD a partner in the world's largest and most influential discount brokerage firm–just one factor among many that make this stock a great long-term dividend play.

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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