



Income Investors: 3 High Single Digit-Yielding Stocks to Consider

Description

Finding the sweet spot between dividend yield and safety for income investors is of utmost importance. For many companies, yields are creeping higher as stock prices decline in this selloff.

Knowing which companies offer the best yield and safety profile simultaneously is a key advantage. With this lens, I've picked three great high-yielders to consider.

Freehold Royalties

A company with a dividend yield at 9% at the time of writing, **Freehold Royalties** ([TSX:FRU](#)) is certainly not a company without risk. However, as far as companies yielding 9% go, this is a relatively good option for long-term investors from a safety perspective.

Freehold has been hit particularly hard of late, which is mainly due to the fact this company operates in the energy space. Energy is a truly out-of-favour sector with seemingly nothing positive on the horizon. That said, the company's core business is royalties.

Royalties are far more stable income streams than those of oil and gas producers. They typically have little or no exposure to the price of oil. Freehold is a unique energy play with an attractive yield today.

Chorus Aviation

The airlines sector is another space that's fallen seriously out of favour with most investors. The seriousness of the coronavirus outbreak and fears that travel volumes will grind to a halt are driving this. **Chorus Aviation** ([TSX:CHR](#)) operates regional services for **Air Canada**.

This makes Chorus less exposed to international phenomena. The company's business model has also become increasingly diversified away from its regional contracts, with growing businesses in aircraft leasing, plane maintenance and financing.

Chorus' dividend yield of 7% is indeed juicy. Chorus also has the ability to continue to pay out its dividend due to strong balance sheet fundamentals. These should continue to hold up through this crisis unless things worsen in Canada – a scenario I think will materialize.

Chorus' share price decline and corresponding dividend increase provide a compelling long-term opportunity for similarly oriented investors.

Interpipeline

Another company in the oil and gas space that's been unfairly targeted by financial markets is **Interpipeline Corp.** (TSX:IPL). As the company's name indicates, pipelines and energy infrastructure are the key components of this business. This is a key factor companies need to keep in mind when considering the long-term value of a name like Interpipeline.

Pipeline cash flows tend to be extremely robust, with little fluctuation due to oil prices. Interpipeline is no exception. The company is vertically integrated as well, with downstream operations complementing its midstream asset bases that support the company's dividend yield of around 8% at writing.

Stay Foolish, my friends.

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1. Energy Stocks
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1. canada
2. dividend
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TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)

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Author

chrismacdonald

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