



Canadian Retirees: 3 High-Yield Income Stocks to Buy on Sale!

Description

The [coronavirus crisis](#) has hit many Canadian retirees very hard. Dividends are being put on the chopping block from left, right, and centre across the **TSX Index**. Some retirees that rely on monthly or quarterly income from their portfolios are going to need to rebalance so that their income stream is not going to be disrupted (again) at a time when they need the income most.

For Canadian retirees excess cash on the sidelines, there are compelling opportunities out there to get safe, bountiful dividends. Consider the following three [on-sale](#) securities that have reliable payouts with yields of between 6.6-9.2%.

Enbridge: Shareholder-friendly management team keeps promise to Canadian retirees

Up first, we have **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), with its extremely shareholder-friendly management. The managers have gone to great lengths to keep their 'dividend growth promise' to shareholders, and despite continued pressures in the energy sector, the company is in a spot to keep its 7.4%-yielding dividend intact as it continues rolling with the punches thrown by macro headwinds while jumping over regulatory obstacles.

Call management stubborn if you want, but management just isn't willing to take the easy road by slashing its bountiful dividend to shore up liquidity. For Canadian retirees who need the income, Enbridge is a company that can be relied upon at a time when even the bluest of blue-chips in the Canadian energy space are taking the axe to their dividends to adapt to these tumultuous times.

While Enbridge may not be the most liquid company in the world (0.53 quick ratio), its liquids pipeline operations are resilient enough to get the firm through this brutal year with its generous dividend intact.

Bank of Montreal: A battered bank with a swollen dividend yield

Up next, we have a badly bruised Canadian bank that is **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). With bank earnings on the horizon, many investors are preparing for one of the worst quarters in recent memory. Impaired loans are going to be brutal, and analysts will be looking to damage control, rather than EPS growth amid these unprecedented times.

That said, the bar is set low for the Canadian banks, especially BMO, which has led the downward charge on the coronavirus crash thanks to its slightly-higher-than-average share of oil and gas (O&G) and smaller-business commercial loans.

Provisions are indeed coming, and although BMO may seem like a dog that could remain in the doghouse longer, I'd argue that the stock is a stellar bet for income investors (like Canadian retirees) willing to ride out the tough times while they get paid.

BMO sports a 6.6% yield and could swell above the 7% mark should shares head below their March lows on sour earnings results. With a dividend streak that's likely to break the 200-year mark this decade, I'd look to buy and hold the battered bank stock all the way down and collect the income that won't be taken away from you.

BMO Canadian High Dividend Covered Call ETF: An added layer of income for Canadian retirees

Finally, we have a 9.2%-yielding ETF offered by BMO — the **BMO Canadian High Dividend Covered Call ETF** ([TSX:ZWC](#)), a curated basket of Canadian high-yield dividend stocks married with a covered call strategy to give income investors (like retirees) a further jolt.

The ETF is a diversified mix of long positions in many blue-chip dividend stocks, most of which are unlikely to take the axe to their dividends. The ETF is weighted in the Canadian banks, the pipelines, telecoms, and utilities. It's your run-of-the-mill Canadian dividend ETF.

What makes the ZWC so unique is the covered call strategy that caps upside in return for guaranteed premium income that goes straight into the pockets of shareholders in the form of an amplified distribution. If you think the stock market could be headed for a long road to recovery, the ZWC is a terrific way to outperform while getting a nice income edge.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:ENB (Enbridge Inc.)

5. TSX:ZWC (Bmo Canadian High Dividend Covered Call ETF)

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