



\$2,500 Invested in Each of These Stocks Could Give You a Cash Machine for Life

Description

Hello, Fools! I'm back to highlight three high-yield dividend stocks. As a reminder, I do this because high-yield dividend stocks:

- provide a [healthy income stream](#) in both good and bad markets;
- usually come from stable industries; and
- tend to [outperform the market](#) over the long run.

So, if you're looking to pounce on the recent market crash with an extra \$7,500 lying around, this might be a good place to start.

Without further ado, let's get to it.

Pipe down

With a healthy dividend yield of 7.2%, midstream energy company **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is first on our list this week.

Pembina shares plunged in March along with the rest of the market, but the stock has steadily gained ground over the past few weeks. Specifically, investors are betting that Pembina's scale advantages, high-quality integrated assets, and an investment-grade credit rating will continue to support solid long-term dividends.

In the most recent quarter, EPS of \$0.50 topped estimates by \$0.08 even as revenue declined 15% to \$1.7 billion.

"Parts of the economy are starting to open up, with various jurisdictions putting plans in place to do — and cautiously do more," said CFO Scott Burrows in a conference call with analysts. "As well, both our share price and oil price are well off their lows. While the road to recovery could be long and bumpy, we can all be excited that progress is being made."

Pembina shares are down more than 25% year-to-date.

Gassy feeling

With a dividend yield of 7.3%, natural gas midstream company **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is next on our list.

Enbridge shares have been choppy in recent weeks, providing value Fools with a possible buying opportunity. Specifically, the company's cash-rich asset base, high-quality clientele (93% are investment grade), and strong management team continue to drive robust cash flows.

In the most recent quarter, EPS of \$0.83 topped estimates by \$0.10 as revenue clocked in at \$12 billion. Meanwhile, operating cash flow was a solid \$2.7 billion.

Looking ahead, management reaffirmed its full-year distributable cash flow view of \$4.50-\$4.80 per share.

"[R]esiliency has always been a hallmark of how we manage our business; our strategically located assets, diversified cash flows, strong commercial underpinnings, and a strong balance sheet, allow us to withstand economic downturns and stay well-positioned for the future," said President and CEO Al Monaco.

Enbridge shares are down about 14% year to date.

Bank on it

With a healthy dividend yield of 5.0%, financial services giant **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) rounds out our list of high-yield stocks.

TD shares have spiked over the past week, but with a P/E of 9, they could have more room to run. Specifically, the company's geographic reach, highly regulated operating environment, and diversified services should continue to underpin hefty long-term payouts.

In TD's Q2 results this past Thursday, EPS came in at \$0.85 as revenue of \$10.53 billion topped expectations by \$700 million. The company took a provision for \$3.2 billion in credit losses.

"TD entered this operating environment from a position of strength, with a high quality balance sheet and strong liquidity and capital positions," said President and CEO Bharat Masrani. "Across our diversified business, and in every geography in which we operate, TD continues to support the banking needs of our 26 million customers."

TD shares are down about 17% year to date.

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.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:TD (The Toronto-Dominion Bank)

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1. Business Insider
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1. Dividend Stocks

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