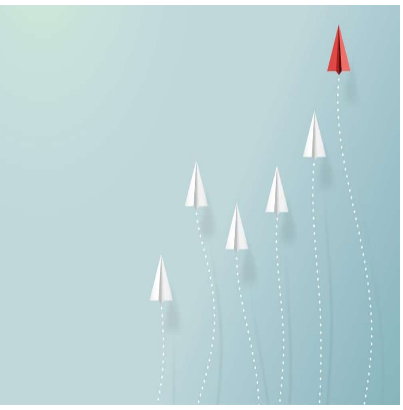

TSX Stocks: 3 Canadian Bigwigs Yielding Up to 8%

Description

The recent market rally has not been an all-inclusive one. **TSX** stocks at large are up almost 40% in the last two months, while many Canadian bigwigs have lagged and are trading 30%-40% lower from the peak.

I have picked three such TSX stocks that could march higher and soon join broader markets' rally. Along with upside potential, their superior dividend yields make them even more attractive. Let's take a look.

Top TSX stocks: Power Corporation of Canada

Power Corporation (TSX:POW) is a $17 billion company and offers diversified financial services in North America, Europe, and Asia. It has interests in businesses such as insurance, wealth management, and renewable energy.

The company offers a dividend yield of 7.7% at the moment, much higher than TSX stocks at large. If one invests $10,000 in POW stock, they will generate $770 in dividends this year.

Power Corporation of Canada is the parent company of **Power Financial,** which has subsidiaries such as **Great-West Lifeco**, **IGM Financial** and Pargesa.

Power Corporation stock has notably underperformed broader markets in the last two months and is trading 30% lower from its 52-week high. The valuation looks particularly attractive and indicates a solid upside potential.

Enbridge

The energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) offers a dividend yield of 7.5% at the moment. It generates steady cash flows and manages to pay stable dividends. Enbridge increased dividends in the last 20 consecutive years, which indicates stability and reliability.

It is primarily a pipeline company, and its earnings are almost immune from volatile oil and gas prices, which makes shareholders' payouts safe even when energy markets take an ugly turn. It generates most of its revenues from long-term fixed-fee contracts.

Enbridge carries 20% of the total oil produced in the US and Canada and 25% of natural gas in the US.

Enbridge, one of the biggest stocks on the TSX, has soared 10% in the last two months.

It will continue to pay higher dividends for the next several years, driven by its stable cash flows. Its unmatchable pipeline network, along with a low-risk business model, makes it an attractive investment proposition for long term investors.

Canadian Natural Resources

Top TSX stock **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) is another reliable name in the Canadian energy space. Many big oil companies across the globe trimmed their dividends amid the energy market rout this year. However, Canadian Natural rather increased its dividends by 13% in March 2020.

It is trading at a dividend yield of 6.3%, higher than the broader markets. It has paid dividends for the last 20 straight years. At $32 billion, Canadian Natural also did not cut dividends in the 2008 financial crisis.

A strong liquidity position helped CNQ maintain its dividends through such challenging phases. The integrated energy company has a diversified product base of natural gas, light and heavy crude oil, and natural gas liquids.

TSX stock Canadian Natural has soared 110% in the last two months since the COVID-19 crash, notably outperforming peer energy stocks.

While CNQ is not completely protected from the energy market depressions, it is comparatively well placed because of its dividends and diversified product base.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)

4. TSX:ENB (Enbridge Inc.)
5. TSX:POW (Power Corporation of Canada)

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