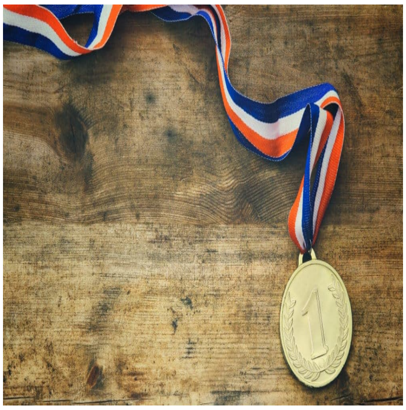

TSX Stocks: 3 High-Yield Heavyweights to Buy in July

Description

Dividend investing is a safe and rewarding long-term investment strategies. But chasing extremely high-yield stocks could be risky, so long-term dividend stability should be the criteria. I am covering three top **TSX** stocks today that offer safe and superior yields and are trading below their fair values.

Top-yielding TSX stocks: Canadian Natural Resources

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ), the second-biggest energy company in Canada, is well placed to weather the uncertainties in energy markets. It is currently trading at a dividend yield of 7.3%, notably higher than TSX stocks at large.

Canadian Natural has increased dividends this year when many energy giants have trimmed or suspended shareholder payouts. In the last five years, the company has increased dividends by 11% compounded annually.

Canadian Natural has a diversified product base, which makes it relatively protected from volatile crude oil prices. Also, its strong balance sheet and operational efficiency will likely help it survive the crisis.

CNQ stock has doubled since its record lows in March. Despite the rally, the stock looks attractively valued at the moment. I think even if crude oil volatility continues for the next year or so, it won’t substantially hamper Canadian Natural’s dividends.

Power Corporation of Canada

The $16 billion **Power Corporation of Canada** (TSX:POW) is an international management and holding company with a focus on financial services and renewables.

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

POW stock offers a juicy yield of 7.5%, and its five-year dividend-growth rate comes at 7%. Notably, the company's top-line growth has slowed down, while the bottom line has shrunk in the last couple of years.

Power Corporation stock is still trading 30% lower to its pre-pandemic levels and looks fairly valued. Its safe dividend yield and attractive valuation make it a worthy bet for long-term investors.

Enbridge

Top midstream energy giant **Enbridge** (TSX:ENB)(NYSE:ENB) stock has been trading in a narrow range for the last few months. It has exhibited a relatively slower recovery post-COVID-19 crash compared to peer TSX energy stocks.

Enbridge yields 8% at the moment, much higher than its average historical yield. Its dividends increased by a handsome 16% compounded annually in the last five years. Interestingly, energy markets continue to look gloomy, but Enbridge's dividends will likely remain strong for the future.

That's mainly because of its minimal exposure to volatile crude oil prices. Enbridge is a pipeline and energy storage company. Thus, crude oil volatility will not have a significant impact on its cash flows. However, lower oil prices generally drive producers to cut their outputs, which could be detrimental for midstream companies like Enbridge.

Enbridge's dividends look safe for the foreseeable future. Even though big oil companies have trimmed their production for 2020, Enbridge has maintained its dividends.

With a robust dividend yield, attractive valuation, and stable earnings prospects, ENB stock is nothing short of a steal for long-term investors.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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