



## Buy Alert: 3 High-Yield Dividend Stocks to Supplement Your Income

### Description

As the financial market remains volatile, it is prudent to invest in stocks that offer a steady and high yield. **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), and **AltaGas** ([TSX:ALA](#)) are three TSX dividend stocks that offer high yields and are trading low.

Investors should note that these TSX companies continue to generate a significant amount of cash flows that should support their future payouts, irrespective of economic situations.

### Pembina's high yield

The selloff in Pembina stock has driven its yield higher. Investors fear that the decline in crude oil prices due to the demand/supply imbalance could hurt Pembina's liquid volumes and, in turn, its financials.

However, investors should note that Pembina's payouts are safe, as it is covered through fee-based distributable cash flows. The company pays a monthly dividend of \$0.21, which implies a forward yield of about 7.5%.

Pembina's diversified cash flow streams reduce the commodity price risk. Meanwhile, its contractual arrangements drive its fee-based cash flows, which more than cover its payouts. Pembina has consistently raised its dividends in the past several years and has paid \$4.5 billion in dividends in the past five years. Further, it has never announced a cut in its dividends.

Despite the challenging operating environment, Pembina's recent acquisitions and highly contracted business model should help it to generate resilient cash flows and continue to support its future payouts.

### NorthWest Healthcare

NorthWest Healthcare stock offers a high forward yield of 7.2%, which is pretty safe. Similar to Pembina, it pays monthly dividends, which makes it a perfect income stock. The company's diversified portfolio of hospitals, clinics, and medical office buildings implies that its business generates resilient cash flows.

In the first quarter, NorthWest added eight more properties, bringing the total count to 183. Its average lease expiry and occupancy remained strong. Its net operating income and funds from operations also improved.

NorthWest's high occupancy rate ([at 97.3% at the end of the first quarter](#)) and inflation-indexed leases is encouraging. Moreover, its average lease expiry term of 14.4 years, recent acquisitions of six hospitals, growing footprint, and government-funded clients bode well for future growth and are likely to drive its payouts in the coming years.

## AltaGas

AltaGas offers a safe and high forward yield of about 6%, which makes it an attractive investment for consistent dividend income. Investors should note that about three-fourths of its revenues come from the utility business that generates predictable cash flows and supports its dividends.

Its rate base is expected to increase at an annual rate of 8-10%, which implies that its payouts are not only safe but could continue to grow in the coming years. Besides steady yield, AltaGas stock is likely to deliver stellar returns over the long run, thanks to its growing midstream operations.

The Ridley Island Propane Export Terminal is [likely to accelerate its growth](#), thanks to the expected increase in the utilization rate, access to high-growth markets, and rising volumes.

Its stock is down about 19% year to date and presents a good entry point to buy and hold the stock for decades.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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**Date**

2025/08/19

**Date Created**

2020/07/06

**Author**

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