Dividend Investing: 3 Dividend Aristocrats With Eye-Popping Yields on Sale

Description

As the Canadian stock market remains choppy and coronavirus cases continue to rise, investors should bet on Dividend Aristocrats for steady returns. Investors should note that few fundamentally strong TSX stocks offer eye-popping dividend yields and trade low, providing an opportunity to gain from consistent dividend income and capital appreciation in the long run.

Without further ado, let's look at a few TSX Dividend Aristocrats that offer safe and high yields.

Telus

Despite the recent recovery, **Telus** (TSX:T)(NYSE:TU) stock is still down about 8% year to date. The company operates a recession-resilient business, and the chances are low that the rising coronavirus infections could have a material impact on its business.

The company continues to add revenue-generating units, reflected through the consistent growth in its wireless subscriber base. Its extensive network infrastructure and investments in growth initiatives like 5G position it well to generate strong earnings and cash flows.

Besides being one of the three largest telecom companies in Canada, Telus is also known for consistently paying higher dividends. Since 2004, it has returned over $13 billion to its shareholders in the form of dividends. Meanwhile, through its dividend-growth program, Telus expects to increase its annual dividends by 7-10%, which is encouraging.

The company's growing customer base, lower churn rate, and the cost-reduction program should support its future cash flows and, in turn, its payouts. Telus offers a forward dividend yield of over 5%, which is high and very safe.

TC Energy

Shares of **TC Energy** (TSX:TRP)(NYSE:TRP) are down over 14% this year. However, the decline in its stock seems unwarranted. The company runs a low-risk business supported through long-term contracts and rate-regulated arrangements.

The company's EBITDA, earnings, and cash flows continue to mark steady growth. Besides, the utilization rate of its assets remains high and unaffected, despite the disruption from the pandemic. TC Energy's business remains relatively insulated from the volatility in the throughput volumes and commodity prices. Its ability to generate steady cash flows enables it to boost investors' returns.

TC Energy is also a Dividend Aristocrat, and its dividends have grown at a compound annual growth rate of 7% in the past 20 years. Its stock currently offers a juicy forward yield of 5.5%. Management expects its dividends to increase by 8-10% in fiscal 2021. Moreover, management projects a 5-7% increase in its dividends after that.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) stock is down over 19% year to date. Lower mainline volumes and the uncertain outlook for oil have taken a toll on it. However, the pipeline company offers an eye-popping dividend yield of 7.8%, which is safe.

In the near term, lower throughput volumes could remain a drag. However, investors should note that most of the company's headwinds are temporary and could abate soon. Further, the company runs a diversified business that generates stable cash flows and supports its payouts through the cost-of-service and take-or-pay arrangements.

With the uptick in economic activities, the mainline's competitive positioning, and resilient businesses like gas transmission and renewable power, Enbridge is a top TSX stock for investors seeking both income and growth.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. NYSE:TU (TELUS)
4. TSX:ENB (Enbridge Inc.)
5. TSX:T (TELUS)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Sharewise
6. Yahoo CA

Category

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

Date
2025/08/28
Date Created
2020/07/15
Author
snahata