TSX Stocks: 3 Dirt-Cheap Canadian Titans That Offer Juicy Yields

Description

It is still not too late for those who did not act during the epic COVID-19 crash back in March. Many high-quality **TSX** stocks are still trading way below their fair values and offer handsome upside potential. So, if you are sitting on some cash, consider these relatively safe, high-yield TSX stocks for long-term investments.

Top TSX stocks: TC Energy

For investors looking to bet on Canadian energy patch, energy midstream company **TC Energy** (TSX:TRP)(NYSE:TRP) would be a good bet. What makes it a safe play is its minimal exposure to volatile crude oil prices. Its large network of oil and gas pipelines fetches stable revenues which ultimately fuel stable shareholders' payouts.

TC Energy stock offers a dividend yield of 5.6%, higher than TSX stocks at large but lower than peer **Enbridge**. Investors should note that both these Canadian pipeline giants have delivered almost similar returns in the last two decades.

TC Energy has managed to grow its dividends by 7% compounded annually in the last 20 years. The company expects to continue similar growth for the future.

What makes TC Energy superior right now is its current valuation. It is trading 14 times its 2020 earnings estimates, notably cheaper than Enbridge.

TC Energy's attractive dividend profile, discounted valuation, and stability make it an attractive bet for long-term investors.

BCE

Telecom giant **BCE** (TSX:BCE)(NYSE:BCE) is another Canadian bigwig that is trading at an attractive valuation and offers a juicy yield right now.

With a market capitalization over $50 billion, BCE is the biggest telecom company in the country. It generates more than half of its total revenues from the wireline business, while 36% comes from wireless and the rest from the media segment. Its recession-resilient business makes its cash flows much stable.

BCE stock was relatively faster to recover post-COVID-19 crash. However, it has been trading largely range-bound for the last few months.

It is currently trading at a dividend yield of 6%, highest among peers. That means if one invests $10,000 in BCE at the beginning of 2020, they would generate $600 in dividends per year.

With its earnings stability and juicy dividend yield, BCE stock seems like a decent bet from the total return potential standpoint.

Emera

Emera (TSX:EMA) is a diversified utility company that operates regulated electricity and natural gas portfolio. It also has investments in energy marketing and pipeline businesses.

It makes more than two-thirds of its earnings from the United States, and the rest comes from Nova Scotia and the Caribbean. Though utilities generally grow very slowly against broader markets, Emera is a relatively fast-growing company.

Emera yields 4.5% at the moment, higher than TSX stocks at large. It aims to increase dividends by 5% per year through 2022. Emera's large regulated operations and huge exposure to the U.S. bode well for its earnings growth.

Utility stocks are classic defensives mainly amid the lower interest rates environment. Though they are slow-growing, investors should not overlook utility stocks. Interestingly, Emera stock has notably outperformed BCE and TC Energy so far this year.

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