



TFSA Dividend Alert: 3 Top Stocks Yielding 7% Today

Description

Several top dividend stocks in the **TSX Index** appear oversold today. Investors can now get great yields with a shot at significant capital gains in the next few years.

Let's take a look at three Canadian [dividend stocks](#) that offer juicy payouts for your Tax-Free Savings Account ([TFSA](#)) income fund.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) trades near \$33 per share and offers a yield of 7.5%. Investors who bought the stock below \$20 in March are already sitting on decent gains. More upside, however, should be on the way. Pembina Pipeline traded above \$50 per share before the pandemic.

The company has a 65-year history in the energy infrastructure sector with a balanced asset base covering oil, natural gas and natural gas liquids pipelines. Ongoing projects include pipeline expansions, gas gathering and processing assets, a propane export terminal, and a proposed LNG facility. While the company deferred some developments due to the pandemic, management still expects \$1.3 billion in new assets to go into service through the end of 2021.

Pembina Pipeline reported Q1 2020 earnings that were roughly in line with the same period last year. The company increased its liquidity in the past few months to ride out the downturn, so there shouldn't be any risk to the distribution. Payments are made monthly, a nice bonus for income investors searching for a steady stream of reliable dividends.

Power Corp

Power Corporation of Canada ([TSX:POW](#)) is a holding company with businesses that primarily operate in the insurance and wealth management sector. The holdings include **Great West Lifeco** and **IGM Financial**. These in turn own Canada Life, IG Wealth Management, Mackenzie Investments, and Investment Planning Counsel, as well as Wealth Simple.

Overseas holdings include a stake in Pargesa, which has investments in a number of Europe's top global companies across a variety of industries.

Adjusted net earnings for Q1 2020 came in at \$345 million, or \$0.62 per share compared to \$251 million, or \$0.54 per share in the same period last year. The rebound in equity markets off the March lows should bode well for the company's subsidiaries. In addition, lockdowns might result in lower claims and higher profits across the various insurance businesses in Q2 2020.

The dividend should be safe and currently offers a 7.5% yield. Power Corp trades close to \$23.50 at the time of writing. It briefly slipped below \$20 per share in March and was above \$34 in February.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a major player in the Canadian and American energy infrastructure sectors. The company is best known for its extensive oil and liquids pipeline assets. It also has natural gas utilities and renewable power.

Enbridge transports more than 60% of the oil exported from Canada to the United States. It also moves nearly 20% of the natural gas used by Americans.

Management restructured the company in recent years to shore up the balance sheet and streamline operations. Enbridge sold roughly \$8 billion in non-core assets and brought a number of subsidiaries under the roof of the parent company.

The stock appears oversold right now and provides a yield of 7.8%.

The bottom line

Pembina Pipeline, Power Corp, and Enbridge are all top-quality companies that pay attractive dividends with above-average yields.

If you have some cash sitting on the sidelines in your TFSA, these stocks deserve to be on your radar today.

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1. Coronavirus
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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:POW (Power Corporation of Canada)
5. TSX:PPL (Pembina Pipeline Corporation)

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