Better Than Term Deposits: 3 TSX High-Yield Stocks to Buy Now

Description

With interest rates at a record low, parking your extra cash in high-yield stocks with a strong track record of dividend payments is a better option than term deposits. Besides, I don't see any interest rate hike anytime soon amid the pandemic and uncertainty.

Let's look at a few **TSX** stocks that offer solid yields and have a long history of dividend payments. Besides, you don't have to risk your capital much for these juicy yields.

Shaw Communications

With a forward yield of 4.7%, **Shaw Communications** (TSX:SJR.B)(NYSE:SJR) should be on your radar. The company's resilient business and a long history of consistent monthly dividends place it among the top income stocks.

Investors should note that despite heightened competitive activities and increased capital investments, Shaw Communications' payouts remained steady, which is encouraging. Further, the company's resilient business, steady growth in wireless subscriber base and network expansion bode well for future growth and its payouts.

Its efficient pricing is leading to higher ABPU and ARPU in the wireless segment and the customer base fast. The company's investment in spectrum and network infrastructure, coupled with smart pricing and packaging will continue to support its cash flows in the coming years, in turn, its dividends.

Canadian Utilities

A history of raising its dividends for 48 years straight, **Canadian Utilities** (TSX:CU) is a go-to stock for higher and safe yields. Its high yield of 5.2% is very safe thanks to the rate-regulated utility business that generates predictable cash flows.

Canadian Utilities derives nearly 95% of earnings from the rate-regulated utility assets. As the majority of earnings are coming from utility business, its payouts are safe and with a sustainable dividend growth rate.

Canadian Utilities continues to invest in the regulated and long-term contracted assets providing a solid base for future growth. Besides, incremental earnings from the hydrocarbon storage business and cost efficiencies should further support its earnings and payouts.

Enbridge

With a stellar yield of 7.5%, **Enbridge** (TSX:ENB)(NYSE:ENB) stock should be a part of every investors' portfolio seeking solid passive income. Its diversified cash flow streams and long history of dividend payments imply that its payouts are safe.

Despite the lower mainline volumes amid lower oil prices, Enbridge's other businesses and contractual arrangements continued to drive its EBITDA. In the most recent quarter, its EBITDA increased by 3%, thanks to the improvement across most of its businesses, including renewable power generation and gas distribution and storage.

Enbridge's cash dividends have grown at a compound annual growth rate of 11% since 1995. Meanwhile, the expected improvement in the mainline volumes in the coming quarters and resiliency of its other businesses indicate that its payouts are safe and could continue to increase.

Bottom line

The high volatility and the low-interest-rate environment has made it too tough for investors to find the right investments to generate a steady and decent income. However, these three TSX stocks offer higher yields than term deposits and have a resilient business to ride out the volatility.

These stocks provide a stable passive income stream that boosts your investment returns.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SJR.B (Shaw Communications)

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Date
2025/08/24
Date Created
2020/08/21
Author
snahata