Forget Fortis (TSX:FTS): These 2 Dividend Stocks Have FAR Higher Yields!

Description

Fortis Inc (TSX:FTS)(NYSE:FTS) stock has become a darling of Canadian dividend investors. With an uninterrupted 46-year streak of raising its dividend, it has definitely earned its reputation. Not only does the stock have a high yield, but it also holds the potential for dividend growth. Management is aiming to increase the dividend payout by 6% every year, and has the revenue growth to pull it off.

In terms of pure reliability, it's hard to beat Fortis. Its track record of increases is one of the longest on the **TSX**, and the stock has delivered pretty good capital gains too.

But the truth is, it's possible to get much higher yields than the one you'll get with FTS. At 3.5%, it's pretty solid, but far from ultra-high. Yes, the payout is likely to rise, but other stocks have been increasing their payouts even more. And there are *plenty* of stocks that have higher yields today.

With than in mind, here are two stocks with higher yields than Fortis.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is an energy company whose stock boasts a whopping 7.5% yield. It got beaten down badly in the 2014/2015 energy crash, and then again in the COVID-19 market crash. These factors kept its share price low while the dividend payouts rose. As a result, we have a ridiculously high yield today.

Of course, there are good reasons for investors to tread carefully with Enbridge. As an oil and gas stock, it's situated in an industry that hasn't been doing well lately. The oil sector was already struggling before COVID-19, and really took a beating when the pandemic hit.

However, Enbridge is safer than the average oil and gas company. Its revenue model is based on long-term transportation contracts, not direct oil sales. It can therefore make money as long as there is strong *demand* for oil. This is in contrast to direct extraction companies, which require both the supply and demand sides of the equation to be right.

Royal Bank of Canada

The **Royal Bank of Canada** (TSX:RY)(NYSE:RY) is a bank stock with a 4.3% yield at current prices. Like Enbridge, the Royal Bank got hit hard in the COVID-19 market crash. Also like Enbridge, it's very likely to walk its losses off.

The whole reason banks got hit hard during the pandemic is because their risk factors dramatically increased. Those risk factors included defaults on mortgages, oil and gas loans, and miscellaneous consumer debt. With people out of work because of the pandemic, those risk factors were very real.

Now, however, with the economic recovery underway, they're beginning to fade. To be sure, it will take a while for banks like RY to grow their earnings back to pre-pandemic levels. But they're stable enough to keep the dividends flowing.

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