3 Attractive Dividend Stocks to Buy Now

Description

If you are looking for high yields in a low interest rate environment, dividend-paying stocks could be a solid investment option. A few TSX stocks continue to offer higher yields that are sustainable in the long term.

Let's focus on three dividend-paying stocks that offer attractive and safe yields.

Enbridge

With a history of returning a boatload of cash to its investors in the form of dividends and a forward yield of 7.6%, **Enbridge** (TSX:ENB)(NYSE:ENB) is a top stock to generate a solid passive income in the long run.

Enbridge's diversified revenue sources and contractual arrangements help in generating strong cash flows that support its payouts. It lowers the risk associated with the volatility in the mainline volumes and commodity prices. Enbridge's adjusted EBITDA increased by 3% in the most recent quarter regardless of lower mainline amid the pandemic. The strength in its other businesses combined with take-or-pay and cost-of-service arrangements continue to support its EBITDA.

Investors should note that Enbridge has paid dividends for over 65 years. Meanwhile, its dividends have increased at a compound annual growth rate (CAGR) of 11% in the last 25 years.

Enbridge's resilient distributable cash flows and diversified business should continue to cover its payouts and boost shareholders' returns in the long run.

TC Energy

Similar to Enbridge, **TC Energy** (TSX:TRP)(NYSE:TRP) also has a long history of enhancing shareholders' returns through higher dividend payouts. TC Energy's insulated business generates predictable cash flows that help the company to pay uninterrupted dividends.

TC Energy's high yield of 5.2% is very secure, as it generates almost 95% of its EBITDA from assets that are contracted or rate regulated. Despite the COVID-19 outbreak, TC Energy's asset utilization rate remains very high with the pandemic having no material impact on its operations.

Its dividends have grown at a high single-digit rate over the past 20 years. Meanwhile, the company expects 8-10% growth in fiscal 2021. Also, it expects a 5-7% increase in its annual dividends beyond 2021. TC Energy's continued investments in the secured capital program should help in generating predictable earnings in the coming years and cover its increased payouts.

Toronto-Dominion Bank

Despite a lower interest rate environment and temporary suspension of dividend hikes, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is among the top dividend-paying TSX stocks. Barring the disruption from the coronavirus, Toronto-Dominion Bank has consistently generated stellar bottom-line growth, which, in turn, has driven its payouts.

The bank has paid dividends for the past 164 years. Meanwhile, its dividends have continued to grow at an annual rate of 10% in the last 20 years.

Toronto-Dominion Bank is well capitalized and continues to drive loans and deposits, which should help in navigating the current crisis easily. Continued momentum in its wealth and wholesale banking segments is encouraging.

With the recovery in the economy, investors can expect Toronto-Dominion Bank to resume its dividend hikes once again.

Bottom line

Investors should note that just by holding on to these three dividend-paying TSX stocks over the long run, they can generate enough returns to beat any debt instrument. Moreover, the probability of capital appreciation is higher in the long term.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)

2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

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

Date
2025/08/28
Date Created
2020/08/31
Author
snahata