Got $3K to Invest? Lock In Yields as High as 8.9% With These 3 Top Stocks

Description

Hello, Fools! I'm back to highlight three high-yield dividend stocks. As a reminder, I do this because high-yield dividend stocks

- provide a healthy income stream in both good and bad markets;
- usually come from stable industries; and
- tend to outperform the market over the long run.

So, if you're looking to pounce on the recent market crash with an extra $3,000 lying around, this might be a good place to start.

Without further ado, let's get to it.

Bank shot

Leading things off is financial gorilla **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS), which currently offers a particularly juicy dividend yield of 6.6%.

Scotia shares remain off about 30% from their 52-week highs, but now might be the opportune time to jump in. Over the long run, Scotia's sheer scale (total assets of roughly $600 billion), massive deposit base, and regulated banking environment should continue to support strong fundamentals.

In the most recent quarter, adjusted earnings fell 47% to $1.04 per share, as revenue climbed 1% to $7.7 billion. On the bright side, the bank's capital and liquidity ratios remains very strong.

"While our retail banking businesses in Canada and international markets were adversely impacted by the pandemic, the bank's performance was aided by strong results in Global Banking and Markets and Wealth Management," said President and CEO Brian Porter.

Scotia shares currently trade at a forward P/E of 9.3.

Pipeline to profits

With a healthy dividend yield of 5%, midstream energy company **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is next on our list of fat income stocks.

Pembina shares are also still down in 2020, providing both income and value investors with a possible opportunity. Because while uncertainty surrounds the energy industry, Pembina's big dividend continues to be supported by impressive integrated assets and a still-solid financial position.

In the most recent quarter, adjusted cash flow from operations actually increased to $586 million even as revenue dropped 30% to $1.27 billion.

"Pembina's longstanding commitment to its financial guardrails and the steps taken recently to preserve its balance sheet and enhance its liquidity are expected to allow the company to exit 2020 in a strong financial position, ensuring its ability to restart various capital projects when it is deemed prudent to do so and providing confidence in the company's ability to fund a stable and growing dividend," wrote Pembina.

Pembina shares currently trade at a forward P/E of 12.

Heavy metal

Rounding out our list is steel and metal products specialist **Russel Metals** (TSX:RUS), which currently offers a solid dividend yield of 8.6%.

Russel shares have bounced back steadily over the past several months, but there might be plenty of room to run. Specifically, the company's diversified offerings, solid scale advantages, and hefty cash flow should continue to fuel solid long-term appreciation.

While revenue plunged 37% in Q2, operating cash flow clocked in at an impressive $116 million.

"During the second quarter, the pandemic along with low energy prices created intense business conditions," said President and CEO John Reid. "Demand at our service center and distribution operations appeared to bottom out in April followed by a modest, yet steady, increase throughout the balance of the quarter."

Russel shares currently trade at a forward P/E of 11.

The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

CATEGORY

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:RUS (Russel Metals)

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