3 Top TSX Income Stocks to Buy in October 2020

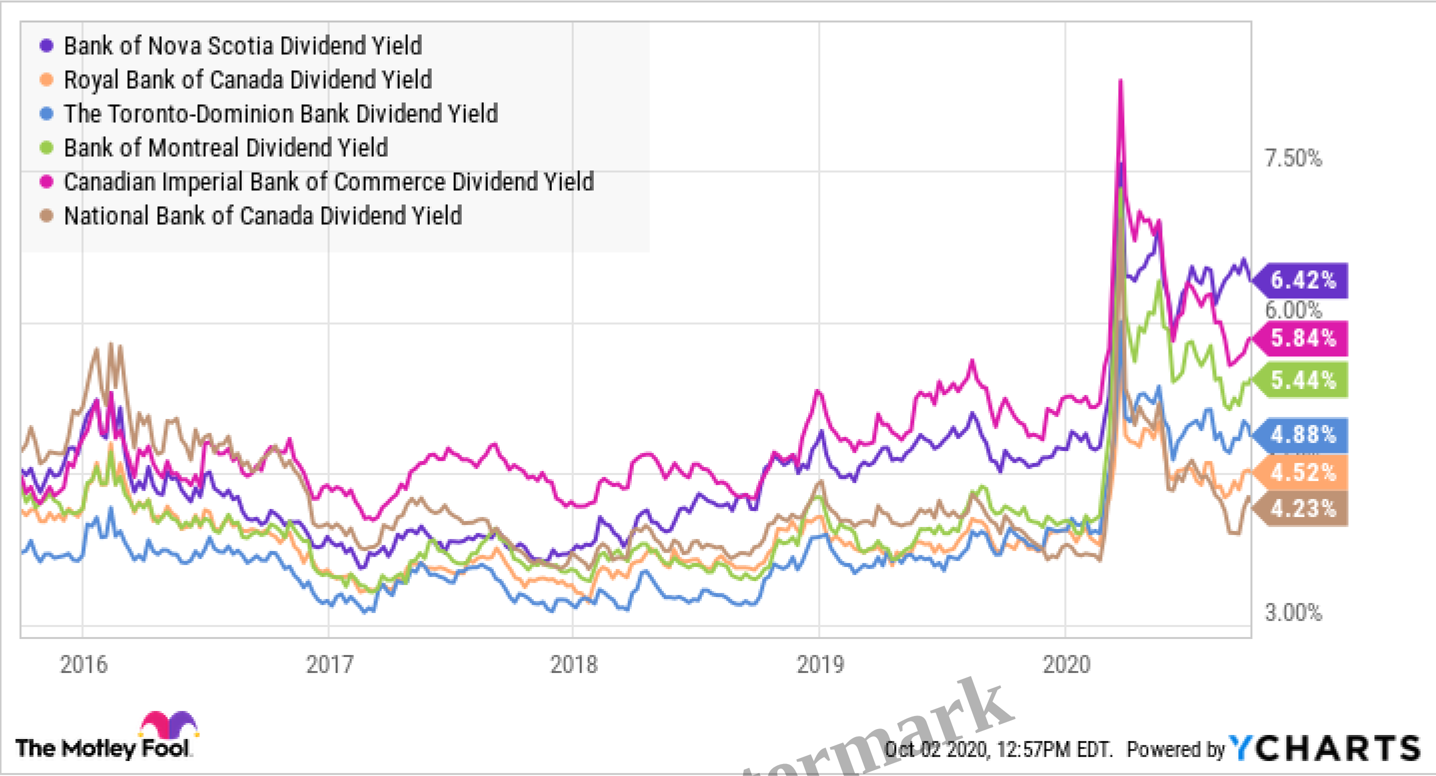
Description

In today's uncertain macro environment, getting a safe, big income from investments gives a needed buffer for Canadians to relieve their financial stress.

The low interest rate environment is unfriendly to Canadians. The "best" three-year and five-year GIC rates available are only 1.8% and 2%, respectively.

If you trust to place your hard-earned savings in bank GICs, why not invest it in a big bank stock like **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) for even greater income?

BNS stock's underperformance against its Big Six peers has made it a more attractive income investment. The high-yield dividend stock has declined about 24% year to date. It's keeping its quarterly dividend steady at $0.90 per share. So, it yields nearly 6.5% at $55.70 per share at writing.



Big Canadian bank dividend yield data by YCharts. BNS stock's yield compared to its banking peers.

Immediately, the income stock provides three times the income from a three- to five-year GIC. What's better is that over the next three to five years, BNS stock's dividend is likely to increase from a global economic recovery.

Enbridge stock yields +8%

Canadian investors can also diversify their income investment into **Enbridge** (TSX:ENB)(NYSE:ENB) stock, which offers an even greater dividend yield of 8.4%. This is four times the income from a three- to five-year GIC.

If you have an investment horizon of three to five years, it's highly likely that ENB stock would trade much higher by then. The stock is undervalued today with little downside risk.

Year to date, the income stock has fallen about 25%, as there is lower near-term energy demand due to pandemic disruptions. However, Enbridge provides essential energy infrastructure that has limited commodity exposure.

In fact, its cash flows are 98% regulated or contracted, are generated from more than 40 sources and are 95% supported by investment-grade counterparties. Consequently, its juicy dividend is highly secure with stable cash flow generation.

Additionally, analysts have an average 12-month price target of $52.10 on the stock, which represents near-term upside potential of 35% — very attractive for a blue-chip Canadian Dividend Aristocrat.

This TSX income stock yields +10%

Income investors cannot pass up on **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) either. The stock yields north of 10.3% at writing. It is easily a top **TSX** income stock for compelling returns over the next three to five years.

The real estate stock already recovered more than 70% from its March market crash low. However, seldom are investors able to buy at the bottom.

At current levels, it still has plenty of room to run. Otherwise, the company wouldn't have bought back a substantial stake from the public market at US$12 per unit recently.

The dividend stock is still down about 28% year to date due to economic shutdowns that have greatly impacted its retail portfolio. However, it has seen a quick rebound in physical-store retail sales from economic reopenings.

It's only a matter of time before the stock trades at the pre-pandemic levels of roughly US$18 for 40% upside. Let's not forget that BPY also has 58% of its portfolio in office, logistics, and multifamily assets that remain resilient and net rent collection of above 90% throughout the pandemic and in normal times.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:BPY.UN (Brookfield Property Partners)
5. TSX:ENB (Enbridge Inc.)

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