3 Ultra-High Yield Stocks to Grab in December

Description

This December, there's not as much yield on offer compared to earlier in the year. In the spring, stocks fell, temporarily pushing yields to extraordinary highs. Now, the pickings are comparatively slim. But there are still some seriously high yield dividend stocks out there if you look hard enough.

If you're willing to look into banks, energy stocks and other industries that faced serious risks because of the pandemic, you'll find yield a-plenty. With that in mind, here are three high-yield dividend stocks to buy in December.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a dividend stock that got beaten down badly in the COVID-19 market crash. It suffered a loss in the first quarter and its stock fell about 30%. For a while, you could have gotten a 12% yield on the shares.

Today, they "only" yield 7.8%. But that's still a ridiculously high yield. With $100,000 invested at a 7.8% yield, you get $7,800 back per year in annual income. And Enbridge should be able to keep paying its dividend for the foreseeable future. Oil prices have recovered since the COVID-19 crash, and Enbridge delivered positive earnings growth in its most recent quarter. Executives forecast positive growth for 2021 as well.

CIBC

The **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) is the highest yielding of Canada's Big Six banks. With a 5.23% yield at today's prices, it's a real high income play. If you invest $100,000 in CM stock, you get $5,230 back in annual income assuming there are no dividend increases.

CIBC is not the best Canadian bank stock in general. With little geographic diversification, it doesn't have as much growth potential as its peers. But it does have an attractive valuation (13.5 times earnings) and a very high yield. If you're just looking for yield and not much of a gain, then CM stock is worth considering.

BCE

BCE Inc (TSX:BCE)(NYSE:BCE) is one of Canada's largest telecom companies. With a 5.75% yield, it's the second-highest yielder on this list.

As a company, Bell has a lot of things going for it.

First, as a Canadian telecom, it operates in a consolidated landscape with not much price competition. Second, it's operationally diversified, with holdings in media as well as telecom services. Third, it has had steady earnings growth over the years, which has supported a rising dividend.

Over the past five years, BCE's dividend has grown by 5% a year. While that's not the highest dividend growth rate out there, it's not bad either.

In its most recent quarter, BCE delivered mixed results. Earnings were down 12.3% year-over-year while free cash flow was up 13.7%. Regardless of the mixed earnings picture, the company hiked the dividend by 5%. While BCE has taken its share of damage from COVID-19, it hasn't been anything too major. So investors can count on this stock to keep delivering dividend income for the foreseeable future.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/07/07
Date Created
2020/12/13
Author
andrewbutton