



Thinking of Income in 2021? Scoop Up These 4 High-Yield Dividend Aristocrats

Description

Investors eyeing top income stocks for 2021 could consider buying these four Dividend Aristocrats. Besides increasing their dividends for the past several years, these companies offer high yields, which is likely to boost your cash flows.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is undoubtedly a top stock for [income investors](#). The energy infrastructure company has paid dividends for over 65 years. Moreover, it has consistently raised it in the past 26 years.

As the demand for crude and other liquid hydrocarbons plummeted amid the pandemic, Enbridge's diversified cash flows and strength in the core business continued to support its distributable cash flows and dividend payouts.

The COVID-19 vaccine distribution in 2021 could accelerate the pace of economic recovery and lead to an improvement in the company's mainline throughput volumes. Meanwhile, its productivity and cost-reduction measures and multi-billion-dollar capital-growth program could continue to drive its cash flows and support its higher dividend payments. With its quarterly dividends of \$0.835 a share, Enbridge offers a high yield of 8.1%.

Pembina Pipeline

Like Enbridge, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is also known for its strong dividend payment history. Pembina's dividend has grown at a CAGR (compound annual growth rate) of 6.5% over the past five years. The company's highly contracted assets generate strong fee-based cash flows and support its monthly dividend payments.

While lower margins on crude and NGL took a toll on its earnings, its diversified exposure to multiple commodities and long-term fee-based contracts continued to support its payouts.

The recovery in demand and margin improvement is likely to support its earnings and drive its fee-based cash flows in 2021. An acceleration in the pace of recovery could help the company to increase its dividend further. Currently, Pembina offers a dividend yield of 8.1%.

Capital Power

Income investors should keep **Capital Power** ([TSX:CPX](#)) on their radars. The utility company owns a young fleet of power-generating assets and has been delivering robust financial and operating performance.

Capital Power generates strong cash flows, thanks to its contracted assets, and has raised its dividends at a CAGR of about 7% in the past seven years. Meanwhile, it expects its dividends to increase by 7% in 2021 as well.

Its highly contracted portfolio, a strong pipeline of growth opportunities, and geographical expansion should help in sustaining the momentum in 2021 and deliver healthy growth. With its quarterly dividend of \$0.512 a share, Capital Power currently offers a yield of 5.8%.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) has paid dividends since 1833 and currently offers a high yield of 5.3%. The bank's [high-quality earnings](#) and exposure to high-growth markets continue to support its dividend payouts.

With the expected uptick in credit growth, lower provisions, and improving efficiency, Bank of Nova Scotia could register a strong improvement in its profitability in 2021 and boost its dividends payments.

Its dividends have risen at a CAGR of 6% in the past several years. Meanwhile, its low payout ratio is sustainable in the long run. Scotiabank currently pays a quarterly dividend of \$0.90 a share.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BNS (Bank Of Nova Scotia)

5. TSX:CPX (Capital Power Corporation)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)

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snahata

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