3 Dividend Beasts That Will Kickstart Your 2021

Description

A market crash negatively impacts all different kinds of investors. But its financial repercussions are truly felt by investors who create an investment income by systematically selling their stocks. These investors have to sell at a loss, and, as a consequence, their portfolio starts depleting at a faster rate.

In these instances, dependable dividend stocks are probably the most lucrative part of an investor's portfolio. These stocks keep on creating value for the investor (through dividends), even if they are going through a net capital loss phase.

There is no universal calculation for how much of your portfolio should be made up of growth stock and what part should be set aside for dividends. That varies from investor to investor and is affected by factors like investment goals and risk tolerance of the investor. But if you want to add some generous stocks to the dividend side of your portfolio, the following three stocks should be on your radar.

A senior care company

Extendicare (TSX:EXE) is a Markham-based company that offers housing, care, and related services to seniors. It has a market capitalization of about $476 million and has a network of 111 senior homes that it owns and manages. The company has been around for almost 50 years and has established a trusted presence in its particular market.

For investors, the major highlights of the company are its strong financial position and a juicy 7% yield. If you invest $20,000 in the company, you can start a monthly dividend income of about $116. It has a strong balance sheet and has been increasing its revenue and net income almost consistently for the last five years. This trend isn't reflected in the stock price, though.

An energy company

2020 has been bad for many sectors, but it was worse for energy. Low valuations plagued the sector, which resulted in a positive side effect for investors: high yields. **Keyera** (TSX:KEY) is one such company. With a market capitalization of $4.07 billion, Keyera is in the business of natural gas. It gathers, fractionates, transport, store, and markets natural gas.

As one of the largest midstream oil and gas company in the country, it enjoyed rapid growth earlier this decade, but things have been steadily slipping downhill since 2014. Still, with its primary focus on natural gas, the company looks better poised than many in the energy sector. Plus, it's offering a mouth-watering yield of 8.1%.

A REIT

Many REITs are offering very juicy yields right now, but very few of them can back their yields with stable payout ratios, and **Inovalis REIT** (TSX:INO.UN) is one of those few REITs. It's offering an enviable 9.46% yield at a stable payout ratio of 41.8%. It's even lower than the payout ratios in the last four years. One of the reasons for this stray from the typical REIT pattern is that Inovalis has a European portfolio.

The company owns and operates about 14 office properties, all in France and Germany. This geographical distinction from other REITs currently trading on the TSX doesn't just result in a stable payout ratio but also in a relatively consistent valuation.

Foolish takeaway

If another market crash doesn't come, these high-yielding “remnants” of the previous market crash would be your best shot of starting a sizeable dividend income. With a decent sum invested in some of these high-yield dividend beasts, you can start your 2021 with a considerable passive-income source. Or you can choose to reinvest those dividends for heftier payouts in the future.

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2. TSX:INO.UN (Inovalis Real Estate Investment Trust)
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adamothman