TFSA Investors: 3 Dividend Stocks Yielding Up to 9.9% to Buy Right Now!

Description

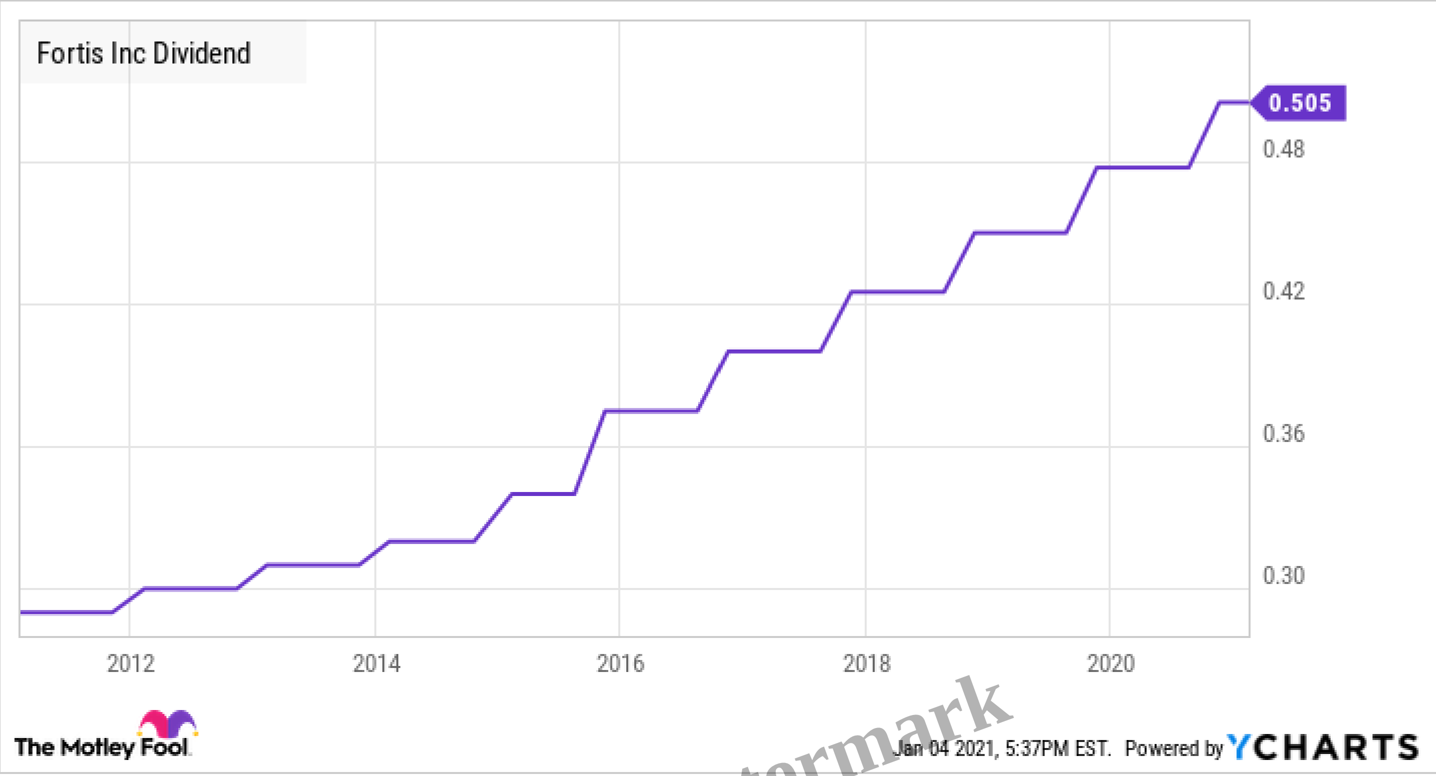
Looking for some great income-generating stocks to spend that new $6,000 contribution room in your tax-free savings account (TFSA) on? Below are three solid investments that pay as much as 9.9% per year in dividends.

Fortis

Fortis Inc (TSX:FTS)(NYSE:FTS) is a safe dividend stock you can buy and hold for decades. What makes the stock particularly appealing right now is that it's close to the $50 mark, and shares of Fortis have typically seen strong support at that level. The last time Fortis stock traded below $50 for a prolonged period was in early 2019.

This is a fairly stable stock, and so even at around $52 it could be worth buying. At that price, it's paying a dividend yield of right around 3.9% per year. That's an above-average payout, well above the typical **S&P 500** stock that pays close to 1.6% right now.

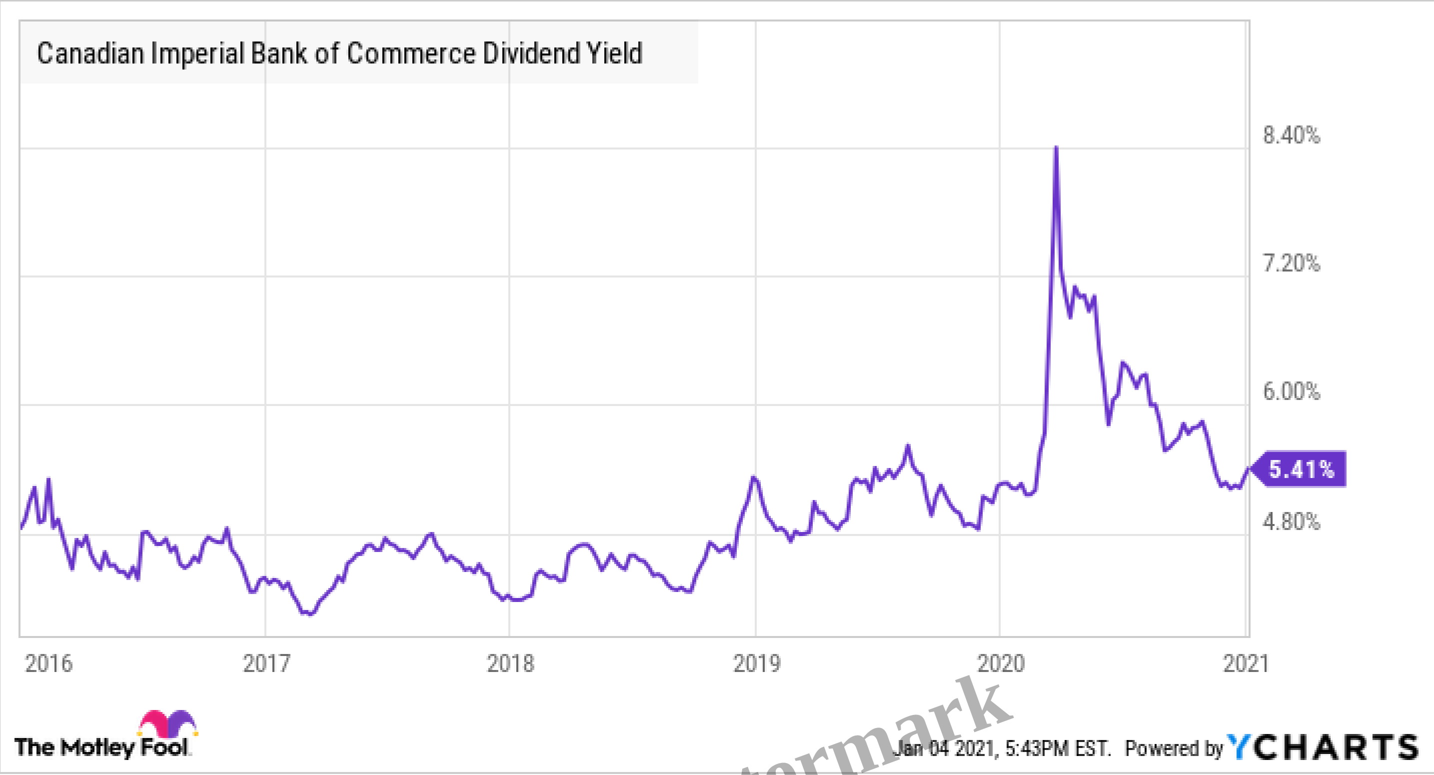
But it's not just the higher yield that makes Fortis a better dividend stock than most; it's also a stable company to invest in that regularly produces a profit and management regularly increases its dividend payments. That means that its great payout could look even better the longer you hold on to the stock.



FTS Dividend data by YCharts

CIBC

Another safe dividend stock to put in your portfolio is the **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). The top bank stock typically pays a better yield than its peers and at 5.4%, it offers a higher payout than Fortis does. When the stock was struggling early on in 2020, its yield was more than 7%. But even at its current yield, outside of a global pandemic, it's been rare to grab the stock at this good of a payout:



[CM Dividend Yield]() data by [YCharts]()

Unless you're banking on another market crash coming soon, chances are this might be the best yield you'll be able to lock in for CIBC for some time. While anything above a 5% yield can be risky, in CIBC's case, that's more to do with the bearishness surrounding the economy and investors ditching financial stocks last year. Over the long haul, this can be a solid investment that you can just buy and forget about while the [dividend income]() rolls into your TFSA.

Slate Grocery

The highest yield of this list belongs to **Slate Grocery REIT** ([TSX:SGR.UN]()). Its business is 100% anchored with grocery stores, making the real estate investment trust (REIT) much more stable than those that have significant exposure to retail. And with a focus on the U.S. market, Canadian investors have the opportunity to diversify their portfolios outside Canada.

Slate makes dividend payments in U.S. dollars and so while its US$0.072 monthly payouts yield 9.8% right now, that could fluctuate depending on not just the REIT's performance but also on foreign exchange rates. Although investors may be concerned about the REIT and its ability to maintain the current payout, Slate is performing well and it has generated free cash flow in each of the past four quarters that has been in excess of the distributions that the REIT has made during that time.

While there's certainly a bit more risk with Slate than there is with the other two stocks on this list given its exposure to retail, the U.S. economy is on track for a recovery this year as COVID-19 vaccines look to help get things back to normal, which could make this stock an underrated buy right now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:FTS (Fortis Inc.)

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Date
2025/07/19
Date Created
2021/01/07
Author
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