



The 3 Best Dividend Stocks for High Yield in 2021

Description

Income investors are constantly searching for the best TSX dividend stocks that offer above-average yield.

Top Canadian dividend stocks in the **TSX Index** pay reliable dividends supported by strong cash flow. Industry leaders, stocks with wide moats, and companies that provide essential products or services tend to be good picks.

Why Enbridge is one of the best dividend stocks for high yield

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) provides a 7.5% yield. The [energy infrastructure](#) giant raised the payout last year, and investors should see steady dividend hikes of 5-7% annually over the medium term.

Enbridge is best known for its oil pipelines. This division took a hit in 2020 but a return to near-capacity volumes should occur in 2021. In the meantime, Enbridge's natural gas utility businesses, gas transmission, storage, and renewable energy assets continue to perform well.

The stock looks [cheap](#) near \$45 per share. The 12-month high is \$57, and a run to \$55 wouldn't be a surprise by the end of 2021. Long-term investors have enjoyed fantastic returns with Enbridge stock.

IGM Financial is an attractive high-yield stock pick for the next 20 years

IGM Financial ([TSX:IGM](#)) offers a 6.4% dividend yield. The company owns IG Wealth Management, Mackenzie Investments, and Investment Planning Counsel. IGM Financial also owns a 46% stake in fintech disruptor WealtheSimple.

These businesses help clients with all aspects of their wealth management and financial planning. In the coming years, analysts anticipate a [wealth transfer](#) of tidal-wave proportions. Recipients of

decades' worth of property and stock appreciation will increasingly turn to professionals to help them manage this wealth.

IGM Financial is part of the **Power Corp** family of companies. A move by the parent to privatize IGM Financial could result in a nice premium on the stock price. An IPO of Wealthsimple might also occur and provide a special dividend opportunity.

Why Russel Metals is a top high-yield stock to buy now

Russel Metals ([TSX:RUS](#)) is one of the largest metals distribution players in North America with steel distribution, metals service centres, and an energy products division.

The new administration in the United States should lead to less erratic tariff disputes in the next few years. At the same time, large fiscal stimulus efforts in the U.S. and Canada should support strong demand for Russel Metals products. The energy sector is also on the cusp of a rebound.

Russel Metals is a reliable dividend stock. The board held the payout steady during the past two downturns, so investors should be confident the distribution is safe.

At the current share price near \$23, the stock provides a 6.5% yield. Investors who'd bought the stock at the March 2020 low have already doubled their money, but more upside should be on the way.

Russel Metals grows through acquisitions. It recently completed another deal, and ongoing takeovers should continue as the industry consolidates. At some point, Russel Metals itself might become a target.

The bottom line on top dividend stocks for high yield

Enbridge, IGM Financial, and Russel Metals are three of the best high-yield dividend stocks to consider in 2021. The distributions should be very safe, and investors get a short at huge increases in the stock prices by the end of the year.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:IGM (IGM Financial Inc.)
4. TSX:RUS (Russel Metals)

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