



Buy Now: 3 Top TSX Stocks Yielding 5-6%

Description

The rally off the 2020 market crash caught most investors by surprise. Despite the huge recovery, several top TSX stocks still appear attractive and provide above-average dividend yields for RRSP and [TFSA](#) portfolios.

Why Bank of Nova Scotia is a top TSX stock to buy now

Bank of Nova Scotia ([TSX:BNS](#)) ([NYSE:BNS](#)) is Canada's third-largest bank with a market capitalization of more than \$80 billion.

All the large Canadian banks made it through 2020 in better shape than initially anticipated at the outbreak of the pandemic. Government aid and deferrals for homeowners and businesses helped avoid a massive wave of defaults. Some pain is still expected, but that is manageable.

As a result, the banks are sitting on [large cash positions](#). Once the government allows the banks to start paying dividends again, Bank of Nova Scotia's investors will likely see a generous increase. Share buybacks and acquisitions are also possible.

Bank of Nova Scotia has a large presence in Latin America. If a good deal becomes available, the bank could use its excess cash to add to its portfolio of businesses in Mexico, Peru, Chile, and Colombia. Global fiscal stimulus efforts in the next couple of years will drive demand for copper and oil, which support the economies of these countries.

Bank of Nova Scotia trades at \$69 per share at the time of writing compared to the 12-month high near \$75. The dividend provides a 5.2% yield.

Power Corp stock looks cheap when you add up all the parts of the puzzle

Investors who want a financial stock but don't like the big banks should consider **Power Corp** ([TSX:POW](#))

). The holding company has a portfolio of businesses that primarily focus on the Canadian insurance and wealth management sectors. Subsidiaries include **Great-West Lifeco** and **IGM Financial**. Power Corp also has investments in Europe that give shareholders exposure to a number of the continent's top global firms.

In addition, Power Corp invests in attractive startups. Through the subsidiaries, it has a controlling interest in WealtheSimple, a Canadian fintech firm now worth more than \$1 billion. Power Corp's large stake in electric vehicle maker Lion Electric could turn out to be a home run. The Canadian company builds electric school buses and other commercial vehicles.

Power Corp trades near \$30 per share compared to \$34 before the pandemic. The stock looks cheap when you add up the public and private values of the subsidiaries. Investors who buy now can pick up a 5.9% yield.

Why TC Energy stock deserves to be on your dividend buy list

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) lost the battle to get its Keystone XL project completed. Joe Biden revoked Donald Trump's presidential permit for the pipeline. It's a blow to the Canadian energy sector but probably good for TC Energy investors. The company can now focus its energy and resources on the rest of the industry-leading capital program.

TC Energy's natural gas transmission infrastructure puts it in a unique position to capitalize on anticipated growth in the global liquified natural gas (LNG) sector. The company has pipelines that connect producers in both Canada and the key natural gas plays in the United States with existing and planned LNG export facilities.

TC Energy intends to raise the dividend by 8-10% in 2021 and by 5-7% in the following years. The stock looks [cheap](#) near \$55 per share and provides a 5.9% yield.

The bottom line on top TSX stocks for income

Bank of Nova Scotia, Power Corp, and TC Energy are all top TSX stocks that pay attractive dividends with above-average yields. The shares trade at reasonable prices, and investors should see solid growth in the coming years.

CATEGORY

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2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:POW (Power Corporation of Canada)
5. TSX:TRP (TC Energy Corporation)

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Date

2025/08/16

Date Created

2021/02/04

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