3 High-Yield Canadian Dividend Stocks to Grab in 2021

Description

You may have noticed that yield is not easy to come by these days. With stocks surging ever higher, yields are getting smaller and smaller. Especially among U.S. stocks. The **S&P 500 Composite Index** currently yields a paltry 1.11%. That's almost as bad as treasuries. Among U.S. equities, yield is just not in the equation.

Fortunately, the situation with Canadian stocks is a little different thanks to tepid gains over the last decade, the **TSX** actually has a half decent 2.5% yield. And you can find much higher yields than that among individual Canadian stocks. With that in mind, here are three high-yield Canadian dividend stocks to grab in 2021.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is one of Canada's highest yielding large cap stocks. With a 7.33% yield at today's prices, it throws off buckets of cash. As well, the company has an impressive dividend growth track record. Over the last five years, Enbridge has increased its dividend by 9.8% annualized. At that rate your payout would double in about eight years.

Of course, past results don't guarantee future results. The oil & gas industry has been in a bad place since 2015, with lower oil prices than had previously been the norm. As well, U.S. President Biden recently cancelled **TC Energy's** Keystone XL pipeline. Nevertheless, Enbridge's current 7.3% dividend is well supported by cash flows from existing projects, and could pay you handsomely for years.

Power Corporation of Canada

Power Corporation of Canada (TSX:POW) is a diversified financial services company whose stock currently yields 5.3%. The company owns various businesses in insurance, wealth management and fintech. Some of these are well known brands, including Great-Life Wesco, IGM Financial and WealthSimple.

In its most recent quarter, POW released the following metrics:

- NAV per share – $34.94, up 6%
- EPS – $0.75, down from $0.84
- Nine month EPS – $2.15, up from $2.11

These are decent results overall. The most recent quarterly EPS was down year over year, but the nine-month picture shows slight growth. These are pretty good results for a financial services company in 2020.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's fastest growing and most resilient banks. In the most recent quarter, it posted a massive earnings beat, with GAAP net income up 80% year over year. That was largely due to the bank closing the sale of TD Ameritrade to **Charles Schwab** . With that deal out of the equation, adjusted earnings were up 1%. Even that figure is better than most Canadian banks in the same period. Banks got hit fairly hard by the COVID-19 pandemic.

Thanks to the increased credit risk, they had to raise their provisions for credit losses (PCL)–which sent earnings lower. As a result, their earnings declined year over year. TD Bank was the first big six bank to post positive year-over-year growth in net income in the COVID-19 era. Its stock yields about 4.2% at today's prices.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:POW (Power Corporation of Canada)
5. TSX:TD (The Toronto-Dominion Bank)

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