4 High-Yield Canadian Stocks to Buy Right Now

Description

Investors eyeing higher and secure yields amid a lower interest rate environment could consider buying stocks of **Enbridge** (TSX:ENB)(NYSE:ENB), **Pembina Pipeline** (TSX:PPL)(NYSE:PBA), **TC Energy** (TSX:TRP)(NYSE:TRP), and **NorthWest Healthcare Properties REIT** (TSX:NWH.UN).

These Canadian companies offer high yields and generate resilient cash flows, implying that their yields and future payouts are safe.

Enbridge

Enbridge stock is yielding about 7.6% at the current price levels, which is very safe. Its more than 40 diversified cash flow streams, cost and productivity improvements, and incremental EBITDA from the secured projects are likely to drive its earnings and cash flows and support its higher dividend payments.

It has raised its dividends for 26 years in a row and could continue to hike it further in the future, thanks to the strength in its core business and recovery in mainline volumes. Enbridge projects its DCF (distributable cash flow) per share to increase by 5-7% over the next three years, implying that its dividends could rise at a similar pace.

Pembina Pipeline

Energy infrastructure giant Pembina Pipeline has consistently maintained and raised its dividend for more than two decades. Meanwhile, its dividends have grown at an average annual rate of 4% in the last 10 years. Pembina's robust dividend payments are supported through its fee-based cash flow, which continues to grow at a healthy pace.

The company owns highly diversified and contracted assets that generate strong fee-based cash flows. Meanwhile, its payout ratio is sustainable in the long run. The company projects high volumes and pricing and growing backlogs to support its adjusted EBITDA growth in 2021. Meanwhile, contractual arrangements and new projects are expected to support its future cash flows. Pembina pays monthly dividends and is yielding about 7.3%.

TC Energy

TC Energy's regulated and contracted assets generate high-quality earnings and cash flows that drive its dividend payments. Its dividends increased at a CAGR (compound annual growth rate) of 7% in the last 21 years. Meanwhile, TC Energy projects 5-7% growth in its dividends in the future.

TC Energy derives about 95% of its adjusted EBITDA from assets that are regulated or have long-term contracts, implying that its earnings and cash flows could continue to increase at a decent pace in the coming years. Further, with more than $8 billion worth of projects under development and organic growth opportunities, TC Energy could continue to boost its shareholders' returns through higher dividend payments. The company pays a quarterly dividend of $0.87 a share, reflecting a yield of 6.1%.

NorthWest Healthcare Properties

NorthWest Healthcare Properties's low-risk and diversified healthcare real estate portfolio positions it well to consistently boost its shareholders' returns through regular dividend payments. Its occupancy rate remains high, while the majority of its tenants are backed by governments.

Its long lease expiry term of 14.5 years reduces vacancy risk and adds visibility over the future cash flows. Further, about two-thirds of its rents are inflation-indexed, which lowers price risk. Its focus on deleveraging its balance sheet, accretive acquisitions, and geographic expansion bode well for growth. Like Pembina, it pays monthly dividends and offers an annual yield of 6.1%.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
6. TSX:PPL (Pembina Pipeline Corporation)
7. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/08/24
Date Created
2021/02/23
Author
snahata