3 High-Yield TSX Stocks to Buy in March

Description

Despite the gradual improvement in the economy, I expect the interest rates to remain low for an extended period. Thus, it is prudent to generate stable and higher yields from dividend-paying **TSX** stocks. I have selected three TSX-listed dividend stocks offering high yields that you can consider buying in March. Besides offering higher yields, these companies have been paying dividends for a very long period and generate resilient cash flows, implying that their future payouts are very safe.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) has uninterruptedly raised its dividends at a compound annual growth rate (CAGR) of 7% in the last 21 years, which reflects the strength of its resilient cash flows. Its diversified portfolio of regulated and contracted assets generates high-quality earnings and cash flows that support higher dividend payments.

Its business remained healthy despite the outbreak of the COVID-19 pandemic allowing the company to announce a 7.4% hike in its annual dividends for 2021. TC Energy's assets remain insulated from short-term volatility in volume throughput and commodity prices, while its utilization levels remain high.

Looking ahead, TC Energy projects 5-7% growth in its dividends in the coming years backed by its regulated and contracted assets. Moreover, its robust development portfolio and $20 billion secured capital program provide a strong base for future dividend growth. The energy infrastructure company pays an annual dividend of $3.48 a share, reflecting a yield of over 6.5%.

Pembina Pipeline

Pembina Pipeline's (TSX:PPL)(NYSE:PBA) exposure to diverse commodities and its highly-contracted assets continue to deliver resilient fee-based cash flows and drive higher dividend payments. The pipeline company has consistently paid dividends over the past 20 years. Meanwhile, it has raised its dividends at a CAGR of more than 4% in the last 10 years.

Pembina's fee-based contracts are expected to support its adjusted EBITDA growth in the coming years and drive its dividends. Moreover, its dividend payout ratio is sustainable in the long run.

I believe increased activity in the conventional pipeline business, increased global energy demand, and multi-billion-dollar capital projects are expected to drive its revenue and earnings, in turn, support share repurchases and dividend growth. The pipeline company pays an annual dividend of $2.52 a share, reflecting a high yield of 7.8% at current price levels.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a top Canadian stock to generate regular passive income, which could continue to grow with you. The energy infrastructure company has paid dividends in the last 66 years. Furthermore, it has uninterruptedly increased it in the past 26 years, reflecting the resiliency of its cash flows and the strength of its core business.

Enbridge's over 40 diverse sources of cash flows and contractual arrangements continue to drive its dividends higher. Despite the negative impact of the pandemic, Enbridge recently hiked its dividends by 3% and is currently yielding about 7.8%.

Enbridge CEO Al Monaco said, "We'll continue to ratably grow the dividend up to the level of average annual DCF (distributable cash flow) per share growth, while maintaining our dividend policy payout of 60-70% of distributable cash flow." I believe Enbridge's secured growth program, momentum in its core business, cost reduction measures and improving energy outlook position it well to deliver robust cash flows and drive its future dividend payments.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

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:PPL (Pembina Pipeline Corporation)
6. TSX:TRP (TC Energy Corporation)

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