



The 5 Best High-Yield TSX Stocks to Buy Right Now

Description

As interest rates have dipped over the past year, dividend stocks are an attractive avenue to generate higher yields. In addition to higher yields, the payouts of these companies are stable and sustainable in the long run. Also, you could expect these companies to consistently hike their annual dividends, which is likely to boost your regular passive-income stream.

Let's dive into five such top TSX dividend stocks offering higher yields.

AltaGas

AltaGas ([TSX:ALA](#)) offers a high dividend yield of 5.1%, which is safe and backed by its balanced portfolio of low-risk utility assets and high-growth midstream business. The continued rate base growth is expected to support the top and bottom-line growth in its utility business and drive higher dividend payments.

Further, its midstream operations are expected to deliver strong growth, thanks to the higher export volumes. Meanwhile, reduction of costs, decreasing leak rates, and customer growth are likely to cushion its earnings and payouts. AltaGas's core business remains strong, while optimization of existing assets bodes well for growth.

Capital Power

Capital Power ([TSX:CPX](#)) owns low-risk, power-producing assets that generate predictable cash flows and are backed by long-term agreements. Thanks to its resilient cash flows, Capital Power has consistently increased its dividends by about 7% annually in the last seven years. Further, it projects a 7% growth in its dividends for 2021 and a 5% increase in 2022.

Capital Power currently offers a high dividend yield of 6.1%, which is safe. Its high-quality assets, the extension of long-term contracts, and developmental projects pipeline augur well for future growth and are likely to support its payouts.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) offers a high dividend yield of 6.1%, which is supported by its high-quality asset base. Its assets are either regulated or are backed by long-term contracts that help generate resilient cash flows and support its payouts.

TC Energy increased its dividends for 21 years in a row and projects 5-7% growth in its future dividends. Its multi-billion-dollar secured projects, high utilization rate, and growing asset base are likely to support its future earnings and cash flows and drive higher dividend payments.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) offers a stellar [dividend yield of 7%](#), which is backed by its highly 1contracted assets that generate robust fee-based cash flows. It has been maintaining and growing its dividends for more than two decades. Further, it has increased the same at an average annual rate of about 4% in the last 10 years.

Pembina Pipeline's exposure to multiple commodities, diversified and integrated assets, and cost-of-service or take-or-pay or arrangements lowers risk and drives its cash flows. Meanwhile, improving demand and prices, secured growth projects, and strong backlog positions it well to consistently boost its shareholders' returns through higher dividend payments.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) stock yields about 7.5% at the current price levels, which is very safe thanks to its [diversified cash flow](#) sources and continued strength in its core business. The pipeline company is paying dividends for more than 66 years and has raised it at a CAGR of 10% in the past 26 years.

Its low-risk and diversified assets, strength in the gas transmission, gas distribution and storage, renewable power business, and improving liquids pipelines are expected to drive its future cash flows and, in turn, its dividend payments. The company projects 5-7% growth in its distributable cash flow per share annually, indicating that Enbridge's future dividends could increase at a similar pace.

CATEGORY

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:CPX (Capital Power Corporation)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)
8. TSX:TRP (TC Energy Corporation)

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