



5 of the Best TSX High-Yield Dividend Stocks to Buy Under \$100

Description

With the high volatility in the stock market, it makes sense to buy top dividend stocks for stability and regular income. Let's focus on five such **TSX**-listed stocks offering high yield amid a low-interest-rate environment to generate higher passive income. Moreover, the yields of these companies are pretty safe and backed by resilient cash flows. Also, shares of these top dividend companies are trading under \$100.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) has paid and raised dividends for a very long period. Notably, the leading utility company has increased its annual dividends for 49 years in a row and offers a high yield of 5.3%. The company's stellar dividend payment history reflects the strength of its cash flows and its ability to deliver high-quality earnings.

Canadian Utilities' continued investment in the regulated and the contracted assets are likely to boost its high-quality earnings base and drive its future payouts. Further, the company generates 95% of its earnings from the rate-regulated utility assets, suggesting that its payouts are sustainable in the long run.

Capital Power

With a dividend yield of about 5.7%, **Capital Power** ([TSX:CPX](#)) is next on my list. The company's low-risk and diversified power-producing assets deliver predictable and growing cash flows and drive higher dividend payments.

Capital Power has hiked its annual dividends by an average rate of 7% in the past seven years and forecasts a similar amount of growth in 2021. Furthermore, it projects a 5% growth in its annual dividend for 2022. I believe its resilient asset base, the extension of long-term contracts, and strong developmental projects pipeline could help the company generate robust cash flows and support future dividend payments.

TC Energy

Energy infrastructure giant, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), offers a high annual dividend yield of 6.0%, which is very safe. Notably, the company generates most of its earnings from assets that either rate-regulated or are backed by long-term contractual arrangements. Thanks to its growing and high-quality assets, TC Energy has raised its dividends by about 7% yearly for more than two decades.

TC Energy's assets remain relatively immune to the short-term volatility in commodity volumes and prices. Meanwhile, its multi-billion-dollar secure capital program suggests that the company could continue to increase its future dividend at a decent pace. TC Energy projects its future dividends to grow by about 5-7% annually in the coming years and remains one of my top stock picks to generate a [growing passive income](#) stream.

Pembina Pipeline

Like TC Energy, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) also offers a stellar dividend yield of 6.9%. The pipeline company has maintained and increased its dividend payments since 1998. Further, its resilient cash flows have allowed the company to hike its dividend by about 4% annually in the last 10 years.

Thanks to the contractual arrangements, Pembina generates robust fee-based cash flows that support its higher dividend payments. Given its highly-contracted business and diversified assets, I remain confident that its payout ratio is sustainable in the long run. Meanwhile, improving energy demand and new projects are expected to drive its future dividends higher.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) offers a [very high yield](#) of 7.4% and is a must-have in your income portfolio. The company has been paying dividends for over six years and raised it by about 10% annually in the past 26 years, which is phenomenal.

Enbridge boasts of over 40 diverse sources of revenues and generates robust distributable cash flow (DCF) per share. The company said that it expects its DCF per share to increase by 5-7% over the next three years that could 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:CPX (Capital Power Corporation)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)
8. TSX:TRP (TC Energy Corporation)

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Author

snahata

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