



3 Top Dividend Stocks Yielding 5-7% for TFSA Income Investors

Description

Retirees and other income investors can still find top dividend stocks that trade at reasonable prices and offer above-average yields for a TFSA portfolio.

Why Power Corp deserves to be on your buy list

Power Corp ([TSX:POW](#)) is an interesting stock. The holding company owns classic high-quality financial investments that churn out reliable and growing revenue and profits as well as a handful of private equity bets in leading edge disruptive industries, including fintech, EV, and online wellness.

The combination of the two strategies gives income investors an opportunity to get steady above-average dividend payouts with a shot at some huge gains if the tech investments go public.

Power Corp trades near \$33.50 per share and offers a 5.3% dividend yield. The stock looks [undervalued](#) when you add up the public and private valuations of the various holdings.

TC Energy is a top dividend stock with strong upside potential

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a major player in the North American energy infrastructure industry with assets in Canada, the United States, and Mexico.

The core operations focus on the transmission and storage of natural gas. TC Energy also has power generation assets and oil pipelines. Getting new oil pipelines built is a challenge these days, and that isn't going to get any easier. TC Energy's long battle to get its Keystone XL line completed ended this year when the new U.S. president cancelled the pipeline's permit.

Fortunately, the natural gas sector has a positive future and TC Energy is positioned well to take advantage of [rising demand](#). The fuel is viewed as a better option than oil or gas for generating electricity, as the world transitions to more renewable power. Natural gas is also getting more interest after the Fukushima nuclear disaster in Japan forced many countries to rethink their expansion of

nuclear power stations.

TC Energy trades near \$59 per share compared to \$75 before the pandemic. The board intends to raise the dividend by 5-7% per year, supported by a \$20 billion secured capital program. Investors who buy the stock now can pick up a 5.9% yield.

Pembina Pipeline is great pick for dividend income

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) provides a variety of services to oil producers primarily located in Canada. Over the past 65 years, the company has grown through organic projects and strategic acquisitions to become a one-stop partner for the oil industry, with businesses offering services all along the hydrocarbon value chain.

Management made quick decisions early in the pandemic to shore up liquidity and defer investments. This allowed Pembina Pipeline to get through 2020 in decent shape and maintain the dividend increase it put in place at the beginning of last year. The stock is off the 2020 [market crash](#) lows but still appears oversold.

Pembina Pipeline has a strong portfolio of secured growth projects as well as potential new ones under consideration across the existing asset base. The balance sheet is in good shape, and the dividend should be very safe. Pembina Pipeline pays its distribution monthly, making the stock attractive for retirees.

The stock trades near \$36.50 right now compared to \$53 before the pandemic. At the current price investors pick up a 6.9% dividend yield.

The bottom line on top dividend stocks

Power Corp, TC Energy, and Pembina Pipeline all appear undervalued and pay reliable dividends with above-average yields.

If you have some cash to invest in a TFSA income fund, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:POW (Power Corporation of Canada)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:TRP (TC Energy Corporation)

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