2 Top Canadian Dividend Stocks to Buy in April

Description

If you are searching for reliable income from dividend stocks, consider **Sienna Senior Living** (TSX:SIA) and **Enbridge** (TSX:ENB)(NYSE:ENB).

Although these companies are in vastly different businesses, they both pay an impressive dividend yield. Both companies are in sectors that have been hit hard during COVID-19 and are well poised to reward investors post-pandemic.

Sienna Senior Living

As of this writing, shares of Sienna Senior Living are trading at $14.81, significantly up from the 52-week low of $8.85. At this price, Sienna's current yield is a respectable 6.29%.

Sienna Senior Living is one of the largest for-profit, long-term-care (LTC) providers in Canada. At the end of last year, Sienna owned and operated 70 seniors' living residences and managed 13 residences for third parties in Ontario and British Columbia. The company has a market cap of nearly $994 million.

The COVID-19 outbreak certainly impacted Sienna. During 2020, the drop in the average occupancy rates at the company's LTC and retirement homes resulted in a net loss of $24.4 million. This negatively compares to the company's net income of $7.5 million in 2019.

Despite the difficult economic complications stemming from COVID-19, the company is committed to maintaining a solid balance sheet, favourable credit rating, and sufficient liquidity. This has historically allowed Sienna to optimize its capital and refinance debt at favourable interest rates. In addition, Sienna's operations are supported by the Canadians government's guaranteed cash flows.

In early January, the Government of Ontario announced an additional $398 million in funding for costs related to combat COVID-19's devastating effects in retirement communities. This money provided for enhanced staff and visitor testing requirements and continued virus prevention and containment efforts. In addition, the government extended its occupancy protection funding for LTC residences affected by access restrictions and capacity limitations and increased the pay for personal support workers.

Once the pandemic is contained, Sienna should be able to resume its pre-pandemic growth trajectory.

Sienna is planning for growth through both acquisitions and organic means. The company's development plans include over $600 million in capital investments to redevelop its Ontario Class C LTC portfolio through new and upgraded facilities over the next five to seven years.

Enbridge

Despite turbulence in the energy industry over the past few years, Enbridge has not wavered in its commitment to stakeholders. In fact, the company has increased payouts to its shareholders for the last 26 consecutive years.

With shares of Enbridge currently trading at $46.43, its dividend yield is a whopping 7.26%. The company has said it plans to increase dividends by 6% for the next few years.

Enbridge transports approximately 25% of the crude oil produced in North America and nearly 20% of the natural gas consumed in the United States. The company operates North America's third-largest natural gas utility by consumer count.

While President Joe Biden and Justin Trudeau share a sense of urgency in the battle against climate change, they have different opinions on the role of oil and gas in transitioning to a greener economy. On Biden's first day in office, he canceled the permit for the Keystone XL pipeline, sending a wake-up call to Canada's energy sector.

This week, *Bloomberg* reported that Trudeau has spoken with Biden regarding Enbridge's Line 5 oil pipeline. Line 5 ships as many as 540,000 barrels a day of oil and natural gas liquids. The pipeline serves as a key energy provider in Michigan, Ontario, and Quebec.

Michigan's Governor Gretchen Whitmer is attempting to decommission Line 5. According to the *Bloomberg* report, this pipeline is "nonnegotiable" for Canada. Any service disruption to the pipeline could affect jet fuel supplies for international airports in Canada and the U.S.

Proponents of the pipeline contend that it is different from the recently cancelled Keystone XL. The ongoing legal battle is being closely watched by the energy sector. A mediation in the dispute between Michigan and Enbridge is scheduled to start on April 16.

Opposition to these pipelines is likely to increase as the world renews its focus on clean energy. Still, with a market cap of almost $94 billion and its firm commitment to shareholders, Enbridge should continue to reward investors with a robust dividend for the foreseeable future.

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3. TSX:SIA (Sienna Senior Living Inc.)

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