TFSA Investors: 2 Dividend Stocks With Blockbuster Yields

Description

High-quality dividend stocks are a staple of Canadian investor portfolios. Fortunately, the TSX is full of such equity securities. While scorching-hot returns may have suppressed the dividend yields for many companies trading on the stock market, several Canadian stocks are still trading for more attractive valuations.

Dividend stocks trading for a discount can offer you mammoth dividend yields of more than 6%. Typically, high dividend yields are not sustainable. However, there are opportunities for you to capitalize on high dividend yields without worrying about the underlying company's ability to disburse the payments.

I will discuss two excellent stocks with blockbuster yields that you can consider adding to your portfolio today.

Northwest Healthcare Properties

Northwest Healthcare Properties REIT (TSX:NWH.UN) is a defensive real estate investment trust (REIT) that owns and rents out properties to health clinics and hospitals across Canada and Europe. Its diversified portfolio of healthcare properties allows the company to generate stable and reliable rental income — a rare occurrence for REITs during the pandemic.

The company's focus on healthcare proved to be beneficial for Northwest Healthcare during the pandemic. Healthcare is publicly funded in Canada and Europe. It means that the government virtually guarantees the hospitals' ability to pay rent. Canadian healthcare providers enjoy a high degree of stability in their revenues, allowing NWH to boast an impressive 97% rent-collection rate and positive revenue growth.

At writing, the stock is trading for $13.09 per share and sports a juicy 6.11% dividend yield.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is an exceptionally high-yielding stock. Trading for $46.11 per share, it sports a massive 7.24% dividend yield. It has one of the highest dividend yields among publicly traded companies in Canada right now. Typically, yields so high should rightfully make you skeptical about a stock.

Dividend yields nearing double digits indicate that a company may be paying out too much money to its shareholders in dividends or has a bearish sentiment in the market. Enbridge is not a bad asset to consider due to its high yield, because it enjoys a wide economic moat that most others do not have.

Between the oil price crisis and waning crude oil demand amid the pandemic, the entire energy sector took a massive beating. Fortunately, ENB's natural gas and renewable energy assets helped offset some of the losses for its oil pipeline operations. The company plans a massive $16 billion capital program that could offer growth for its distributable cash flow in the medium term.

Additionally, as the pandemic subsides, crude oil demand could return to normal and boost Enbridge's revenues further.

Foolish takeaway

It is ideal to have reliable dividend stocks that can offer you virtually guaranteed payouts in your passive-income portfolio. Adding high-quality dividend stocks that boast a higher dividend yield to your portfolio can be an excellent way to boost your returns.

Northwest Healthcare Properties REIT and Enbridge are both attractively priced at writing and have inflated dividend yields that you could consider locking in to capitalize on the high-yielding payouts.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Author
adamothman