



4 Top Canadian Stocks Paying Over 4% Dividends

Description

Undoubtedly, it's been a pretty good year for Canadian stocks! The **S&P/TSX Composite Index** just hit 19,350 points. That's just below record highs. Year-to-date, that is a nice 10% gain. Yet, for dividend lovers it's not such good news.

Strong demand for income-producing stocks has meant yields have compressed. Of course, given the low interest rate environment that is to be expected. However, it is harder and harder to find [dividend stocks](#) that are stable, high quality, and increasing their payout.

To give you some dividend stock ideas for some further research, here are four top stocks that pay over a 4% dividend today.

A Canadian pipeline stock

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is one of North America's largest transporters of natural gas. I like this factor, especially because natural gas is still a fuel considered significant in the green energy transition. Despite the pandemic, it produced very stable cash flows and earnings last year.

Even though Keystone XL didn't work out, it is still advancing \$20 billion of secured capital investments. As a result, it has room to keep steadily growing its streams of cash flows. This Canadian stock pays an attractive 5.8% dividend. TC Energy has grown its dividend by a 7% compound annual growth rate (CAGR) since 2000, so that dividend should keep on rising into the future.

A top Canadian telecom stock

Telus ([TSX:T](#))([NYSE:TU](#)) is trading with a dividend yield of 4.8% today. This Canadian stock is a serial dividend grower. Over the past five years, it raised its dividend annually by 5-7%. Right now, given expectations for strong cash flow growth, it expects to raise that dividend by 7-10% over the next two years.

Yet, this stock is more than dividends. Amongst telecom peers, Telus has been a leader in new customer growth. It recently issued equity so it could accelerate the roll-out of its top quality fibre optic networks.

This will also meaningful move forward its long-term rollout of 5G. It also has a number of smaller digital verticals in health, agriculture, customer service, security and the internet-of-things. This makes Telus a great income stock to own today and well into the future.

A regulated utility and midstream player

Another undervalued Canadian stock is **AltaGas** ([TSX:ALA](#)). This Canadian stock is misunderstood — largely because of some financial missteps a few years ago. Yet, it has a really good platform going forward. Over half of its cash flows are derived from a regulated natural gas distribution business. This segment has stronger-than-average growth going forward, yet the [stock is undervalued](#) compared to other gas utility businesses.

Similarly, its remaining integrated midstream business has seen very strong demand for propane products in Asia. The company just added Petrogas to its asset mix, so this should further broaden its value-add proposal to customers. This Canadian stock pays a solid 4.7% dividend today.

A U.S. e-commerce property developer

If you want to participate in e-commerce growth in the U.S., but still garner a chunky dividend, **WPT Industrial REIT** (TSX:WIR-U) is a good pick. Although it is listed on the **TSX**, it operates 100% in the U.S. It operates large-scale distribution, logistics, and warehouse properties. Over the pandemic, it has seen demand for its properties accelerate. As a result, occupancy and rental rate growth have been very strong.

This Canadian stock has a number of opportunities to grow through development projects. Likewise, it has a growing portfolio of joint ventures that will over time be very accretive. WPT trades at a discount to other American peers, so the stock is attractively valued. It pays a well-covered 4.6% dividend right now.

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2. NYSE:TU (TELUS)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:T (TELUS)
5. TSX:TRP (TC Energy Corporation)

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