
# 3 High-Yield TSX Stocks to Buy With $3,000 in May 2021

## Description

Amid high volatility and low interest rates, stocks offering high dividend yields look like attractive investments to generate a steady income flow. However, not all high-yield stocks are worth investing in, and investors should focus on the companies that have uninterruptedly paid dividends for a very long period and have a high-quality earnings base.



I have shortlisted three such high-yield stocks that have paid and raised their dividends for over 10 years or more. Further, these Canadian companies have diverse and resilient cash flow streams, implying that their payouts are safe and sustainable. So, if you've got $3,000, consider buying these high-yield stocks right now.

## TC Energy

**TC Energy** (TSX:TRP)(NYSE:TRP) owns a diversified portfolio of contracted and regulated assets and has consistently delivered strong shareholders' returns over the past several years. It has grown its dividend at a CAGR of 7% in the last 21 years. Meanwhile, it offers a high yield of 5.7%.

TC Energy's high-quality assets remain immune to economic cycles and short-term volatility in price and volumes. Despite the challenges from the pandemic, TC Energy's asset utilization rate remained high, which is encouraging. TC Energy's robust development portfolio, improving energy outlook, $20 billion secured capital program, and organic growth opportunities position it well to deliver solid earnings and cash flow in the future years.

On average, TC Energy expects its dividends to mark 5-7% growth annually in the coming years. Furthermore, nearly 95% of its comparable EBITDA is likely to be generated through the rate-regulated contracted assets, suggesting that its payouts are safe and sustainable in the long term.

## Pembina Pipeline

**Pembina Pipeline** (TSX:PPL)(NYSE:PBA) pays monthly dividends and offers a high yield of 6.6% at current price levels. The company has paid, maintained, and increased its dividends since 1998. Furthermore, its dividends increased by early 5% in the last decade.

Pembina Pipeline's dividend is backed by its highly diversified and contracted assets that generate strong fee-based cash flows. Furthermore, its secured counterparties and take-or-pay and cost-of-service framework suggest that its payouts are very safe and its payout ratio is sustainable.

I believe the recovery in energy demand, higher volumes and pricing, and operating leverage will likely support its earnings and cash flows. Further, the backlog of growth projects and newly secured projects are likely to drive its future dividends.

## Enbridge

**Enbridge** (TSX:ENB)(NYSE:ENB) is among the top dividend-paying, high-yield stocks listed on the TSX. Further, it is a must-have stock in your income portfolio, thanks to its very long history of dividend payments and its ability to consistently increase it at a healthy pace. Enbridge is regularly paying dividends for more than 66 years. Furthermore, it has increased the dividend at a CAGR of 10% in the last 26 years.



Enbridge owns more than 40 income sources that generate resilient cash flows. Further, the recovery in its mainline throughput and sustained momentum in its core business suggests that the company will likely generate strong distributable cash flows in the coming years.

I believe Enbridge's diversified energy sources, $16 billion secured capital program, and expense management indicate that its future dividends could continue to grow at a decent pace. Meanwhile, the energy company offers a very high yield of 7.2%.

**CATEGORY**

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
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**Date**
2025/08/19
**Date Created**
2021/05/03
**Author**
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