
4 Top Canadian Stocks With Dividend Yields Above 5%

**Description**

Amid the concerns over rising inflation, the global equity markets are under pressure over the last few days. So, given the uncertain environment, investors should look to strengthen their portfolios by adding high-quality dividend stocks. Along with delivering steady passive income, these stocks provide stability to your portfolio, as they are less volatile than non-dividend-paying stocks. Meanwhile, here are four Canadian stocks with dividend yields above 5%.



## Enbridge

Given its strong track record of paying dividends consistently for the last 66 years, **Enbridge** (TSX:ENB)(NYSE:ENB) would be my first pick. The midstream energy company has also raised its dividends for the past 26 straight years at a CAGR of over 10%. Its diverse revenue streams, contractual framework, and solid underlying business generate steady cash flows, allowing the company to raise its dividends consistently. The company has declared a $3.34-per-share dividend for this year, representing a forward dividend yield of 6.9%.

Meanwhile, the acquisition of new assets, rate hikes, and renewable business growth could drive Enbridge's future earnings and cash flows. The company is progressing with $17 billion worth of secured growth projects, which could increase its adjusted EBITDA by $2 billion. Further, the recovery in oil demand could increase its asset utilization rate, driving its financials. Given its healthy growth prospects, steady cash flows, and high dividend yield, I believe Enbridge would be an excellent buy right now.

## NorthWest Healthcare

Boosted by its highly diversified and defensive healthcare assets, **NorthWest Healthcare** (TSX:NWH.UN) enjoys high occupancy and collection rates. Further, around 80% of its tenants are backed by government funding, while 73% of its rent is inflation-indexed. The company has long-term agreements with its tenants, with weighted average lease expiry standing at 14.5 years. Supported by all these factors, the company generates strong cash flows, allowing it to pay dividends at a healthier yield of 6.1%.

Meanwhile, NorthWest Healthcare has 14 low-risk projects worth around $414 million in the developmental stage, with these projects expected to put into services over the next two years. Further, the company had also strengthened its financial position by raising around $220 million in February. So, given its healthy growth prospects and low-risk business, I believe the company's dividends are safe.

## TC Energy

Like Enbridge, **TC Energy** (TSX:TRP)(NYSE:TRP) also has a strong track record of raising its dividends. It has increased its dividends for the last 21 straight years at a CAGR of 7%. The company's low-risk business generates steady cash flows, allowing the company to increase its dividends consistently. Currently, the company pays a quarterly dividend of $0.87 per share, with its forward dividend yield standing at an attractive 5.7%.

TC Energy is also going ahead with its $20 billion secured capital program, with $4.2 billion worth of projects expected to be put into service this year. Along with these investments, the increased asset utilization due to recovery in the energy sector could boost the company's financials in the coming quarters. At the end of its March-ending quarter, the company's liquidity stood at $13 billion. So, TC Energy is well positioned to continue raising its dividends in the coming quarters.



## BCE

Amid the digitization of business processes, the demand for telecommunication services could rise in the coming years. So, I have picked **BCE** (TSX:BCE)(NYSE:BCE), one of the three top Canadian telecom players, as my final pick. Despite the impact of the pandemic, the company added 108,468 new connections in its first quarter, generating free cash flows of $940 million. The company's financial position also looks healthy, with its liquidity standing at $6.5 billion at the end of the quarter. Currently, the company pays a dividend at a healthy forward dividend yield of 5.7%.

Meanwhile, BCE is going ahead with its broadband network acceleration program, with around $1 billion invested in the first quarter. These investments could aid in expanding its total fibre and WHI connections to 6.9 million by the end of this year. These new connections, expansion of 5G coverage, and economic growth could drive the company's financials and cash flows. So, I believe BCE's dividend is safe.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)

3. NYSE:TRP (Tc Energy)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
7. TSX:TRP (TC Energy Corporation)

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rnanjapla