Here Are 5 Top TSX Stocks Paying a 5% Dividend or More

Description

High-yielding dividend stocks are harder to find on the **TSX** today than they were a year ago. The TSX Index is actually up 31% from a year ago. Given that interest rates are so low, it naturally makes sense that Canada's beloved dividend stocks would increase in value. If you are still looking for a decent dividend yield today, here are five stocks yielding over 5% and good prospects going forward.

A play on the pandemic recovery

SmartCentres REIT (TSX:SRU.UN) is a bit of contrarian bet. This largely retail real estate stock was crushed shortly after the pandemic crash last year. Yet, over 60% of its rents actually come from essential service-based tenants like **Walmart** (its largest tenant). Its central community-focused marketplaces are well located with ample excess land.

Today, the REIT has around $10.7 billion in total assets. However, it has more than $13 billion of development projects in its joint venture pipeline. These developments will greatly diversify the REITs assets to include self-storage, apartments, retirement living, and condos. Today, this TSX stock pays a 6.5% dividend.

A top TSX industrial REIT stock

Another TSX real estate stock with an attractive 5% yield is **Dream Industrial REIT** (TSX:DIR.UN). The pandemic has actually given its business a boost. It operates industrial and distribution properties across Canada, the U.S., and Europe. Demand for e-commerce and distribution space has been insatiable, especially in major jurisdictions like Toronto. As a result, Dream has been experiencing exceptionally strong rental rate growth in its core markets.

For a REIT, Dream has a really attractive balance sheet with fairly low leverage. As a result, it still has quite a bit of liquidity to keep growing by acquisition. Combine organic rental growth, a solid development pipeline, and high occupancy and this TSX stock is set up for some pretty steady returns this year and next.

A North American pipeline

Speaking of industrial, **Enbridge** (TSX:ENB)(NYSE:ENB) continues to have one of the highest yields you can find on the TSX. It pays a 6.9% dividend. Certainly, the company faces some challenges, especially with its Line 5 pipeline. Yet, this pipeline is incredibly critical to both Canadian and American jobs and economies. To just shut it off over semantics is difficult to fathom. I can't predict the future, however, so this is a hope and prayer.

However, overall, Enbridge has very diverse operations. It has over 40 sources of revenue in its asset mix. Similarly, Enbridge has been expanding into various green initiatives such as solar, offshore wind, and hydrogen. Despite all the noise, this TSX stock just came out with really exceptional results. I believe this can continue, so long as nothing drastically alters the thesis.

A midstream and pipeline leader in Canada

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another TSX energy infrastructure stock that pays a cushy over 6% dividend. Like Enbridge, business is starting to get back to normal. Energy prices have stabilized and demand is only increasing as the world slowly returns to pre-pandemic activities.

Pembina has been seeing a steady increase in its pipeline volumes, as well as better margins from its midstream marketing segment. The company has been prudent through the crisis and maintained a solid balance sheet. Now it is in a position to commence building out new projects, which all could lead to attractive growth in the years to come.

A top TSX telecom stock

BCE (TSX:BCE)(NYSE:BCE) is the last TSX dividend stock that you may want to consider. While Canada's telecom industry is not necessarily exciting, it is stable and produces steady free cash flows for investors. Today, BCE pays a 6% dividend.

It has one of Canada's largest networks. It recently increased its capital plan to help roll out 5G networks more broadly. While growth will be moderate in 2021, BCE should see an uptick in free cash flow returns in following years.

This company has a great balance sheet and ample excess liquidity. As a result, it is a real safe bet on a higher-than-average yield. BCE just raised its dividend 5% last quarter, and I anticipate more raises in the coming years.

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1. Dividend Stocks

2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BCE (BCE Inc.)
5. TSX:DIR.UN (Dream Industrial REIT)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)
8. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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