3 Dividend Studs to Grab in May

Description

Looking for high-yield investments?

This May, you have the opportunity to buy some on the dip. Markets took a beating last week, with the **TSX** having slipped 1.2%. Lower stock prices means higher dividend yields, all other things the same. So a downturn is always a great opportunity to lock in a higher yield than you could get before. In this article, I'll explore three Canadian dividend stocks worth grabbing in May.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH-UN) is a Canadian healthcare REIT that yields about 6%. It leases out healthcare office space to health organizations in Canada and the EU. Its tenants, being backed by government revenue, have an unparalleled ability to pay. The year 2020 was a challenging one for many REITs. With the pandemic putting people out of work and shuttering businesses, many people lost the ability to pay rent. Not so for healthcare clinics and providers.

With healthcare more in demand than ever, and with government revenue paying their bills, they kept the lights on. The end result was NorthWest Healthcare collecting a 97% share of its typical rent in 2020. That same year, it also posted modest growth in revenue and FFO. A resilient REIT you can count on for high dividend income.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a Canadian energy stock with a sky-high dividend yield. Over the last five years, it has grown its dividend by 9% annualized. Over the same time, its stock price didn't move much. The end result was a ridiculously high 7.1% dividend yield that you can still grab today.

The year 2020 was a rough one for energy stocks, much as it was for REITs. In the early months of the pandemic, oil prices absolutely collapsed. West Texas Intermediate (WTI) futures were even negative at one point! But pipelines fared better because they make money by transporting oil rather than by selling it. At any rate, Enbridge's most recent quarter was a winner, with the following solid metrics for the period:

- $1.9 billion in earnings (up from a $1.4 billion loss)
- $1.6 billion in adjusted earnings (basically unchanged).
- $2.8 billion in distributable cash flow (up from $2.7 billion).

Canadian Imperial Bank of Commerce

The **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) is a Canadian bank stock that yields 4.5%. While CIBC hasn't been the best-performing Canadian bank over the past few years, it does have the highest yield. If you're just looking for a steady income stream, CM stock might just merit a place in your portfolio. In its most recent quarter, CIBC grew GAAP earnings by 34% and adjusted earnings by 11% year over year. These were some of the best growth rates of any Canadian bank in the period.

There's no guarantee that they'll continue, of course. Unlike some of its peers, CIBC doesn't have large U.S. operations from which to draw growth. But it's a stable, reliable bank that you can count on for dividend income.

CATEGORY

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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andrewbutton