3 Cheap (Under $50) Dividend Stocks With Yields Above 6%

Description

Investors planning to build a solid passive income portfolio could consider buying the shares of **Enbridge** (TSX:ENB)(NYSE:ENB), **Pembina Pipeline** (TSX:PPL)(NYSE:PBA), and **NorthWest Healthcare** (TSX:NWH.UN). These Canadian stocks are cheap, have resilient cash flows, and uninterruptedly paid regular dividends. Meanwhile, these companies offer a very high yield of over 6%.

Enbridge

Enbridge is one of the most reliable dividend stocks and should be a part of your passive-income portfolio. It has consistently increased its annual dividends by a compound annual growth rate (CAGR) of 10% for 26 years and offers a stellar yield of 7.2%.

I remain upbeat on Enbridge stock and expect higher utilization of its assets, recovery in mainline volumes, customer growth, rate escalations, and opportunities in the renewable power business to significantly boost its future cash flows. Furthermore, Enbridge's diverse income sources, contractual arrangements, and strength in its core business indicate that its high yield is safe.

Enbridge's payouts are safe and sustainable in the long run. Meanwhile, improving energy outlook, its low-risk business, a $16 billion diversified secured capital program, and focus on expense management suggest that the company could continue to increase its dividends at a healthy pace in the coming years. Enbridge projects a 5-7% increase in its distributable cash flow per share in the coming years. Furthermore, it expects to deliver average annual total shareholders' returns of about 13%.

Pembina Pipeline

Pembina Pipeline is another high-yield stock for investors who love dividend income. The energy infrastructure company has been regularly paying dividends since 1997. Meanwhile, it has raised its dividends by about 5% annually in the last decade thanks to its highly diversified business and a strong portfolio of contracted assets. Its contracted assets generate robust fee-based cash flows that support its dividend payouts. Notably, its payouts are secured and sustainable in the long run.

I expect Pembina to continue enhancing its shareholders' value in the coming years through increased dividend payments. Its robust backlogs, new development projects, strong counterparties, and operating leverage suggest that Pembina's cash flows could grow at a healthy pace and drive its dividends.

Further, the improvement in demand, higher volumes and pricing, and exposure to diverse commodities are likely to cushion its bottom line. Currently, Pembina Pipeline is offering a juicy yield of over 6.5%.

NorthWest Healthcare

NorthWest Healthcare is an excellent stock for investors looking for a steady passive income stream. It owns a low-risk and diversified portfolio of healthcare real estate assets and generates robust cash flows. Like Enbridge and Pembina, the payout of NorthWest Healthcare is safe and sustainable in the long run. Currently, it offers a high yield of about 6.2%.

Notably, the company's high occupancy rate, government-backed tenants, inflation-indexed rents, and a long lease expiry term ensures that it could continue to bolster its shareholders' returns through regular monthly dividend payments.

Furthermore, its solid acquisition pipeline, growing scale, and deleveraging of its balance sheet are likely to accelerate its growth rate. Also, its expansion in the high-growth markets and robust development pipeline are likely to boost its cash flows and drive its stock.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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