



Got \$1,000? Buy These 4 Dividend Stocks With Above 4% Yields

Description

Although investors are optimistic about robust economic recovery, rising inflation is a cause of concern. I expect equity markets to be volatile in the near term. So, investors can strengthen their portfolio by adding the following four Canadian stocks that pay dividends at healthier yields of over 4%.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) has been rewarding its shareholders by raising its dividends at a [CAGR of 7% over the last 21 years](#). Its stable cash flows from highly regulated businesses have allowed the company to increase its dividends consistently. Currently, the company pays quarterly dividends of \$0.87 per share, representing a forward dividend yield of 5.43%.

Meanwhile, the company is progressing with its \$20 billion secured capital program, with the management expecting to put \$4.1 billion worth of projects into service by the end of this year. The increased oil demand could improve its liquid pipeline's throughput, thus driving its financials. Its financial position also looks healthy, with its cash and cash equivalents standing at \$2.26 billion. Given its steady cash flows, healthy growth prospects, and strong liquidity position, the company's management is confident of raising its dividend at a rate of 5-7% in the coming years. So, I believe [TC Energy would be an excellent buy in this volatile environment](#).

BCE

With telecommunication becoming an essential service in this digitally connected world, I have chosen **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) as my second pick. Supported by its wide range of telecom and media products and services, its cash flows are stable. Despite the pandemic, the company generated a free cash flow of \$940 million in its recently announced first quarter.

Amid increased digitization and the rise in remote working, the demand for the company's services has been rising. Meanwhile, BCE is investing in expanding its wireless and broadband services. The company recently collaborated with **Amazon** Web Services to modernize its applications and services

and enhance its customer experiences. So, given its healthy growth prospects, steady cash flows, and strong liquidity of \$6.5 billion, I believe BCE's dividends are safe. Currently, the company's forward dividend yield stands at a healthy 5.71%.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) has an excellent track record of rewarding its shareholders by increasing dividends consistently. It has raised its dividends 43 times over the previous 45 years. Currently, the company pays a quarterly dividend of \$0.90 per share, representing a forward dividend yield of 4.44%.

The revival in consumer demand and expansion in economic activities could drive the demand for the company's services. The decline in provisions for credit loss, deposit growth, digital adoption, and improvement in operational efficiencies could continue to drive its financials in the coming quarters. The company also has significant exposure to commodity-driven markets, which could witness robust growth in the coming years. So, I am bullish on the Bank of Nova Scotia.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is also one of the most reliable dividend stocks on the TSX. It has raised its dividends for 21 consecutive years. This year, the company has increased its dividends by 11% to \$1.88 per share, representing a forward dividend yield of 4.15%.

The gradual reopening of economies worldwide and economic expansion could drive oil demand and, in turn, its prices, benefiting Canadian Natural Resources. The company's production could also increase by 5% this year. Further, its long-life, low-decline asset base, and efficient execution could drive its margins in the coming quarters. The company's management projects to generate free cash flows in the range of \$5.7 billion to \$6.2 billion this year provided WTI crude trade around US\$60 per barrel. So, I believe the company is well positioned to continue with its dividend hikes.

CATEGORY

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POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CNQ (Canadian Natural Resources)
4. NYSE:TRP (Tc Energy)
5. TSX:BCE (BCE Inc.)

6. TSX:BNS (Bank Of Nova Scotia)
7. TSX:CNQ (Canadian Natural Resources Limited)
8. TSX:TRP (TC Energy Corporation)

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