



2 Top Canadian Dividend Stocks for High-Yield Income

Description

Income investors are searching for reliable high-yield Canadian dividend stocks to put in a TFSA or RRSP portfolio.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications firm with wireline and wireless networks across the country that provide Canadians with mobile, internet, TV, and security services. The company also has a media division that includes a TV network, specialty channels, radio stations, sports teams, retail locations, and an advertising group.

The pandemic has drastically cut lucrative roaming fees, as restrictions keep business and holiday travelers at home. That might soon be at an end. The U.S. is reopening quickly, and Canada is getting to the point where the government is expected to outline a plan for allowing more cross-border travel.

Another positive development is the CRTC's recent decision to cancel proposed cuts to the wholesale internet rates BCE and other network infrastructure owners charge competitors. The reversal provides BCE with clarity on future revenues and prompted the company to boost its capital program by \$500 million.

BCE is investing heavily in its fibre-to-the premises program. Owning the fibre line right to the customer's door helps protect the wide competitive moat. BCE is also investing in its [5G network](#). The next stage of the wireless evolution opens doors for new revenue streams.

BCE stock isn't as cheap as it was at the start of the year, but investors can get a solid 5.75% dividend yield and could see more upside in the coming months. The shares trade for \$61 at the time of writing compared to \$65 before the pandemic.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) has a 60-year history of delivering growth through strategic acquisitions and organic development projects. That trend continues today. In its [mid-year update](#) Pembina Pipeline said it has already placed \$400 million of new assets into service this year. Another \$1 billion is under construction. In addition, the company has \$7 billion of accretive projects on the drawing board.

On the acquisition side, Pembina Pipeline is hoping to complete its \$8.3 billion all-stock deal to buy **Inter Pipeline**. Pembina Pipeline is also partnering with First Nations groups on two initiatives. One alliance hopes to build a floating LNG facility. In another, Pembina Pipeline is the industry partner for the Chinook Pathways Partnership considering the purchase of the TransMountain pipeline from the Canadian government once the expansion project is completed.

Company leaders have had a busy 18 months. Management moved quickly last year to shore up the balance sheet to ride out the pandemic. The timely decisions enabled Pembina Pipeline to maintain the dividend hike put in place in early 2020.

The stock currently trades near \$40 per share. It was \$53 before the crash last year, so there could be considerable upside as the energy sector recovers and Pembina Pipeline completes more of its capital projects. Investors who buy the stock now can pick up a 6.2% dividend yield. Pembina Pipeline pays its distribution monthly, making it an attractive pick for retirees and other income investors.

The bottom line

BCE and Pembina Pipeline are top Canadian companies that pay generous dividends and offer above-average yields. If you have some cash available for a buy-and-hold TFSA or RRSP income portfolio, these stocks deserve to be on your buy list.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BCE (BCE Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

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