Canadians: 3 of the Safest High-Yield Dividend Stocks to Buy Now

Description

As high valuation and inflation concerns grip the stock market, investors can still earn a steady income through high-quality dividend-paying stocks. Keeping consistent income in mind, I have shortlisted the three best Canadian stocks that continue to deliver healthy payouts at regular intervals and offer higher yields. Notably, these Canadian companies have historically provided robust dividends, while their payouts are sustainable in the long run.

Without further delay, let's dig deeper into the three top Canadian dividend stocks.

Enbridge

I believe **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the most trusted and safest Canadian dividend stocks. Enbridge has consistently paid dividends for more than 66 years and offers an attractive yield of 6.7%. Moreover, it has raised its dividend at a CAGR of 10% in 26 consecutive years, which is the highest among its peers. The energy giant's diverse cash flow streams and contractual framework have ensured robust cash flows and higher dividend payments.

Investors should grab this high-yield dividend stock now, as the company remains on track to continue enhancing its shareholders' returns in the long run due to the favourable energy outlook. Further, Enbridge's low-risk utility-like business and its $16 billion secured capital growth program help it to deliver higher cash flows and, in turn, drive its future dividends. The recovery in mainline volumes, core business momentum, growth opportunities in the renewable power segment improved productivity, and cost-saving initiatives should further support its future growth.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another high-yielding Canadian dividend stock and should be a part of your passive-income portfolio. The energy company has been regularly paying dividends since 1997 and offers a juicy yield of 6.2% at current price levels. Thanks to its highly contracted business, robust fee-based cash flows, and sustainable payouts, Pembina Pipeline has raised its dividend annually by about 5% in the last decade.

I believe Pembina's future dividends are secure, as the company generates most of its earnings from the highly contracted business. Further, a recovery in energy demand, higher volumes and pricing, exposure to diverse commodities, and operating leverage will continue to support its earnings growth and resilient cash flows. Further, a solid backlog of growth projects and newly secured projects will continue to drive its future dividends.

Canadian Utilities

Canadian Utilities (TSX:CU) is a safe and reliable dividend stock and has the longest track record of raising its dividends. Notably, the utility company has increased its dividends for about 49 consecutive years and offers a solid dividend yield of over 4.9%.

Canadian investors can rely on this high-yield, dividend-paying stock, as the company derives a majority of its earnings from the rate-regulated assets. Its highly contracted and rate-regulated utility business provides a solid foundation for earnings growth that supports consistent and higher dividend payments. I believe the company's continued investments in the rate-regulated assets and cost efficiencies could continue to strengthen its earnings base and drive robust cash flows. An improvement in its energy infrastructure business is likely to support its bottom line and drive higher dividends.

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2. NYSE:PBA (Pembina Pipeline Corporation)
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4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)

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