3 High-Yield Dividend Stocks Will Pay You Over 5%

Description

The stock market conditions today could be ideal for investors to consider looking into the best dividend stocks that Canada has to offer. Creating a portfolio of high-yield but reliable dividend stocks and storing them in your Tax-Free Savings Account (TFSA) could help you create a tax-free passive-income stream to achieve various financial goals.

Dividend stocks can be excellent investments, because the asset class continues to pay even when shares go up and down. I will discuss three high-yield dividend stocks that you could consider adding to your portfolio if you are looking for a decent yield without compromising reliability.

Keyera

Keyera (TSX:KEY) is one of the best dividend stocks Canada has to offer. The stock is trading for $32.99 per share at writing, and it boasts a juicy 5.82% dividend yield. The company operates in the pipeline industry — a sector in high demand as economies begin reopening.

There is a significant rebound in oil and gas stocks. It means that pipeline operations will also be in high demand with surging energy demand. Pipeline businesses like Keyera enjoy support from long-term contracts. It means that even if underlying commodity prices see volatility in the short and medium term, the company's revenues will not take a major hit.

With around 70% of Keyera's income coming from long-term contracts, the company can continue generating reliable cash flows to support high dividend payouts to its shareholders.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is a midstream energy sector stock that could be an excellent investment right now. The stock is trading for $65.17 per share at writing, and it boasts a juicy 5.34% dividend yield. The company is also a Canadian Dividend Aristocrat with a 21-year dividend-growth streak. The company can continue a similar trend in the near to far future due to its vital position in the energy sector.

TC Energy operates one of the most substantial natural gas pipeline networks in North America and generates 95% of its income through rate-regulated contracts. It means that the company can generate predictable and stable cash flows that it can use to finance its consistently growing payouts to shareholders.

The company's low-risk operations allowed TC Energy to raise dividends, even during the economic crisis of 2008. The company might underperform fast-growing tech stocks, but it provides far greater reliability as an income stock with a decent yield.

BCE

BCE (TSX:BCE)(NYSE:BCE) is Canada's most significant telecom sector operator, and it offers the highest dividend yield among its peers. The stock is trading for $61.21 per share at writing, and it boasts a 5.72% dividend yield. The company has also maintained a dividend-growth streak for the last 12 years, growing its payouts to shareholders at a CAGR of 6%.

BCE is relying on investing heavily in several capital projects like network improvements to fuel its growth. The company is expanding its presence in rural areas, and it will likely spend a lot more on its 5G infrastructure to establish a dominant presence in the new and lucrative space.

The company could see its earnings grow significantly in the next few years, making it an attractive asset for investors to consider for the long run.

Foolish takeaway

A portfolio of high-yield, income-generating assets could be an excellent way for you to create a passive-income stream that can keep the cash flowing for decades, lining your account balance to help you meet various financial goals. Keyera, TC Energy, and BCE could be excellent additions to such a portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
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Author
adamothman