Worried About an Expensive Market? Buy 3 Canadian Dividend Stocks With Massive Yields

Description

The Canadian stock market trades at high valuations, which makes it more difficult to generate returns from price appreciation. Thankfully, there's another way for investors to earn a decent return: dividends.

Any investor can use a boost in their income, which can be used for paying the bills or as extra investment capital to invest in more stocks. Here are a few big dividend Canadian stocks you can consider for helping you boost your income!

Keyera

Keyera (TSX:KEY) provides a fat yield of 5.8%, which should appeal to income investors. This is 2.6 times the best five-year GIC rate of 2.2%. Moreover, the energy infrastructure stock is more likely to increase its dividend over time.

Keyera stock is a proven dividend stock, having paid growing dividends every year since 2004 except in 2010. The stock is also fairly valued.

Management noted that the year-over-year comparison of Q1 results were lower due to exceptional quarterly performance in the marketing segment in the prior year period.

In any case, the key highlight is that its trailing-12-month payout ratio was 67%, which was within the company's target range of 50-70%, and therefore, supported a safe dividend. As the payout ratio is at the high end of the range, this year might be another year that Keyera have to maintain its dividend.

Capital Power

Capital Power (TSX:CPX) is another fairly valued high yield stock that's noteworthy. It yields close to 4.9%, which equates to about 120% more income than what the best five-year GIC offers.

The utility reported strong first-quarter results from the cooperation of higher power prices in Alberta. Adjusted EBITDA, a cash flow proxy, was 29% higher to $303 million versus Q1 2020. Adjusted funds from operations per share rose 33% to $1.49.

Capital Power is a proven dividend stock. It has maintained or increased its dividend every year since 2010. It is also a Canadian Dividend Aristocrat for having increased its dividend every year since 2014. Its five-year dividend-growth rate is roughly 7%.

The company expects to bring seven renewable projects online on time and on budget by Q4 2021 through Q4 2022. Its growth projects should help steadily boost its share price higher. Dividend increases are also in the cards.

H&R REIT

Diversified real estate investment trust (REIT) **H&R REIT** (TSX:HR.UN) provides one of the safest dividends among its peers. Its Q1 funds from operations payout ratio was only 43.5%.

This is the result of a dividend cut. But it's precisely because of the cut in dividend that its *current* yield is secure.

There are a couple of key factors that will keep its cash flow steady. First, it has a long average remaining lease term of about 12 years for its office portfolio and approximately six years for its retail portfolio. The two portfolios contribute a total of 78% of its rent. These portfolios had recent occupancy rates of 99.7% and 90.3%, respectively.

Second, the remainder of its portfolio, in residential and industrial properties, maintains very high occupancy rates of about 96% and 100%, respectively.

As you can probably guess, the REIT is largely weighed down by its retail portfolio. As the economy normalizes with the help of vaccine rollouts, there's a good chance the REIT will recover its dividend to higher levels, leading to a juicy yield on cost of more than 7% for buyers of the stock today! This could materialize in a couple of years. Currently, the stock yields 4.2%, which is still very decent.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:KEY (Keyera Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

Date
2025/08/25
Date Created
2021/06/24
Author
kayng