3 Top Canadian Stocks That Pay Dividends With Yields Above 6%

Description

By investing in dividend stocks, investors can benefit from both stock price appreciation and regular payouts. Usually, dividend stocks are fundamentally strong and are less susceptible to market volatilities. So, these companies provide stability to your portfolios.

Meanwhile, the rising COVID-19 cases have increased the volatility in the equity markets. So, investors can buy the following three Canadian dividend stocks to strengthen their portfolios and earn stable passive income.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) earns around 83% of its revenue from oil and natural gas transportation through a network of pipelines across North America. Its utility and renewable power businesses generate the remaining 17%. So, with a significant amount of financials generated from regulated assets or long-term contracts, the company's cash flows are stable. These stable cash flows have allowed the company to pay a dividend uninterrupted since 1953 while raising it for the previous 26 straight years at a CAGR of over 10%.

Currently, Enbridge pays a quarterly dividend of $0.835 per share, with its forward yield standing at 6.77%. Meanwhile, the company has planned to make a capital investment of $17 billion over the next three years, boosting its midstream and renewable assets. Also, the recovery in oil demand could increase its asset utilization rate in the coming quarters, driving its financials. So, Enbridge would be an excellent stock to have in your portfolio.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is another stock that income-seeking investors should have in their portfolio. It owns and operates healthcare properties across seven countries. Given its highly defensive and diversified portfolio, the company's occupancy and collection rate remain healthy. Its long-term agreements and government-backed tenants also offer stability to its financials and cash flows.

Meanwhile, NorthWest Healthcare recently strengthened its financials by raising around $200 million through equity offerings. It hopes to utilize the net proceeds to expand its footprint in Australia and Europe. It is currently working on acquiring the Australian Unity Healthcare Property Trust, which presently owns 62 healthcare facilities with a 98% occupancy rate. So, the acquisition would boost the company's cash flows, allowing it to continue paying a monthly dividend at a healthier yield. Currently, the company's forward dividend yield stands at a juicy 6.18%.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is involved in the energy transportation and midstream services business. Meanwhile, the company had earned around 94% of its adjusted EBITDA last year from take-or-pay, cost-to-service, and fee-for-service contracts. The company has only 6% exposure to commodity price fluctuations. So, its financials and cash flows are stable. Supported by these stable cash flows, the company has paid a dividend uninterrupted since 1997. Currently, its forward yield stands at a healthy 6.09%.

Further, the recovery in oil demand and prices could boost its asset utilization rate and revenue from marketing and new venture segment in the coming quarters. Meanwhile, the company has a significant backlog of opportunities, including $900 million worth of projects under construction and $800 million of deferred and pending reactivation. The company's management expects its adjusted EBITDA to come in the range of $3.2-$3.4 billion. So, given its healthy growth prospects, steady cash flows, and strong liquidity position, I believe Pembina Pipeline is well positioned to continue paying dividends at a healthier rate.

CATEGORY

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2. NYSE:PBA (Pembina Pipeline Corporation)
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rnanjapla