RRSP Investors: 2 Dividend Stocks That Offer Huge Income

Description

Canadians have been able to feast on an impressive bull market over the past year. The **S&P/TSX Composite Index** took a massive hit in February and March, as the severity of the COVID-19 pandemic became apparent. Investors who held tight and/or bought the dip have been rewarded. Today, I want to look at two top dividend stocks that RRSP investors may want to consider. This market has shown some shakiness in June and July. Investors should not get set to bail, but it does not hurt to stash some dependable income-generating equities. Let’s jump in.

Why Enbridge is worth adding after its Q2 earnings release

Enbridge (TSX:ENB)(NYSE:ENB) is the largest energy infrastructure company in North America. It is also one of the largest stocks on the TSX by market cap. This dividend stock has climbed 21% in the year-to-date period as of close on August 3. RRSP investors should feel good about Enbridge’s long-term prospects and about its mouth-watering dividends.

The company released its second-quarter 2021 results on July 30. It delivered GAAP earnings of $1.4 billion, or $0.67 per commons share — up from $1.1 billion, or $0.56 per common share, in the prior year. Meanwhile, adjusted EBITDA was flat in the year-over-year period at $3.3 billion. Enbridge reaffirmed its 2021 guidance range of EBITDA between $13.9 billion and $14.3 billion.

Shares of this dividend stock last possessed a favourable price-to-earnings (P/E) ratio of 16. Best of all, it offers a quarterly dividend of $0.825 per share. That represents a tasty 6.7% yield. Canadians can feel good about stashing Enbridge in their RRSP for the rest of this decade.

RRSP investors should also look to this top dividend stock

Investors on the hunt for income in their RRSPs should consider a real estate investment trust (REIT). A REIT operates or finances income-producing properties. These investments can offer an attractive blend of stability and high income. This should be a priority for RRSP investors.

SmartCentres REIT (TSX:SRU.UN) is a strong dividend stock to consider today. This Vaughan-based REIT features over 150 strategically located properties across the country. Shares of this REIT have climbed 30% in the year-to-date period. The dividend stock is up 46% compared to this time in 2020.

The REIT is set to release its second-quarter 2021 results on August 12. In Q1 2021, SmartCentres saw its average collection levels across its portfolio exceed 94%. There were concerns that the COVID-19 pandemic would jeopardize rent collection for large commercial properties. However, government bailouts and deft maneuvering have avoided this feared outcome.

Real estate has managed to come out of this pandemic in good shape, but many commercial entities are still in recovery mode. This was the case for SmartCentres in the first quarter. Still, this dividend stock offers favourable value compared to its industry peers at the time of this writing. This REIT last paid out a monthly dividend of $0.154 per share. That represents a strong 6.1% yield.

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3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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