3 Safe Canadian Stocks With Above 5% Dividend Yields

Description

The Canadian benchmark index, the **S&P/TSX Composite Index**, is trading at record highs and is up 16.9% higher for this year. However, rising COVID-19 cases worldwide is a cause of concern. So, investors can strengthen their portfolio with these three safe Canadian stocks that pay dividends above 5%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) delivered a robust second-quarter performance last week, with its adjusted EPS growing by 19.6% to $0.67. The company generated $2.2 billion of cash from its operations. Further, the company has announced that it is on track to put into service projects worth $10 billion this year and has reaffirmed its earlier announced 2021 guidance. The company's management expects its 2021 EBITDA to come in the range of $13.9 billion to $14.3 billion, while its DCF per share could fall between $4.70 to $5.00.

With already $8 billion spent, Enbridge plans to spend the remaining $9 billion of its secured growth capital over the next two-and-a-half years, boosting its midstream and renewable assets. Along with these investments, the improvement in its asset-utilization rate due to the recovery in oil demand could boost its financials in the coming quarters.

So, given its healthy growth prospects, strong liquidity of $8.5 billion, and excellent track record, I believe Enbridge's dividend is safe. Meanwhile, the company's forward dividend yield currently stands at a juicy 6.79%.

BCE

Second on my list is **BCE** (TSX:BCE)(NYSE:BCE), which reported a solid second-quarter performance yesterday. Supported by its accelerated investments in expanding its 5G and high-speed internet service, its revenue and adjusted EBITDA grew by 6.4% and 6.2%, respectively. It added 115,916 net new customers over the last four quarters. Its financial position looks solid, with its liquidity standing at

$5.3 billion at the end of the quarter.

Meanwhile, BCE expects to provide the 5G service to 70% of the Canadian population by the end of this year. Its two-year accelerated capital-spending program could expand its Bell pure fibre and rural wireless home internet networks. Along with these investments, the improvement in economic activities and increased roaming revenue due to the easing of restrictions could boost the company's financials in the coming quarters. So, BCE is well equipped to continue raising its dividends in the coming years. Currently, the company's forward dividend yield stands at a healthy 5.54%. So, BCE would be an excellent addition to your portfolio.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is another excellent stock that investors should have in their portfolios. The company has raised its dividends uninterrupted since 2000 at a CAGR of over 7%. The company reported an impressive second-quarter performance last week, with its adjusted EPS growing by 16.3% while generating comparable funds of $1.8 billion from its operations.

The company is continuing with its $21 billion secured capital program. Along with these investments, its robust underlining business amid a recovery in energy demand and improvement in economic activities could boost its financials in the coming quarters. So, the company's management expects to raise its dividend by 5-7% in the coming years. Currently, the company pays a quarterly dividend of $0.87 per share, with its forward dividend yield standing at a healthy 5.71%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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