



4 Canadian Dividend Stocks With Yields of 6% and Above

Description

Dividend stocks enhance the overall returns of shareholders and add stability to one's portfolio. While stocks that offer higher dividends entice income-seeking investors, it is important to consider their dividend yield. A higher dividend yield significantly reduces an investor's payback period and enhances returns.

Here, we'll focus on four such Canadian companies offering a high dividend yield of 6% and above. Furthermore, these companies have solid earnings and cash flows, have regularly paid and increased dividends, while their payouts are safe and sustainable.

Enbridge

Speaking of high-yielding dividend stocks, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) comes to mind first. This Canadian energy giant has consistently paid dividends for more than 66 years while raising the same at a compound annual growth rate (CAGR) of 10% in the last 26 years, the highest among its peers. It offers an attractive yield of 6.7% at current price levels.

Enbridge's robust dividend payouts are backed by its low-risk utility-like business and high-quality contracted assets that generate steady cash flows. I expect the company's diverse cash flow streams, contractual framework, and favourable energy outlook to continue to drive higher dividend payments. Further, Enbridge's strong secured capital growth program, recovery in mainline volumes, growth opportunities in the gas and renewable power business are likely to boost its earnings and position it well hike its [future dividends](#).

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) stock is another [solid bet in the energy space](#) that offers a high yield of 6.3%. This Canadian dividend stock is a must-have in your passive-income portfolio, as it has consistently rewarded its shareholders with monthly dividend payouts and distributed over \$10.1 billion in dividends since its inception. Notably, Pembina Pipeline has increased its dividend annually by 5.18% in the last decade.

Looking ahead, I believe Pembina's future dividends are safe, thanks to its highly contracted business that generates robust fee-based cash flows.

I believe the improvement in energy demand, higher volumes, increased pricing, and operating leverage will continue to support its earnings growth. Further, a solid backlog of growth projects, exposure to diverse commodities, and newly secured projects could accelerate its growth and boost future dividends.

NorthWest Healthcare

NorthWest Healthcare ([TSX:NWH.UN](#)) is another excellent stock that pays a monthly dividend and offers a juicy yield of 6.2%. Notably, NorthWest has a low-risk business, with most of its tenants being government-backed. Moreover, a significant portion of its rent is inflation-indexed, which is encouraging.

I believe the company's diversified healthcare real estate assets and long lease expiry term will likely add stability to its cash flows and support dividend payouts. Moreover, its expansion in the high-growth markets, strategic acquisitions, and strong balance sheet augur well for future growth and are likely to support its future payouts.

Pizza Pizza Royalty

Investors could consider adding **Pizza Pizza Royalty** ([TSX:PZA](#)) stock for its solid dividend yield. The quick-service restaurant company offers monthly payouts to its shareholders. Furthermore, at current price levels, Pizza Pizza's dividend yield stands at 6.0%, which is attractive.

The expectation of normalization in its operations and recovery in consumer demand could significantly boost Pizza Pizza's financial and operating performance and support dividend payouts. I believe recovery in traffic growth, network expansion, strong delivery sales, and focus on delivery promotions to boost its overall financials and dividend payments.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)

3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:PZA (Pizza Pizza Royalty Corp.)

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