



2 of the Best Dividend Stocks in Canada for High-Yield Investors

Description

Dividend stocks are often some of the best investments you'll make. These stocks, which are continuously returning cash to shareholders, play an important role in your portfolio, especially in this market environment, where uncertainty regarding the Delta variant is growing once again. And when you can find the best high-yield dividend stocks in Canada, the opportunity is even greater.

A high-yield dividend usually means more risk for investors. However, that may not always be the case, as a company can have a higher yield because it chooses to pay out more of its earnings.

In general, though, higher yields tend to be a warning sign for investors. This is because the yield increases as a stock sells off. So, when you see a high-yield dividend stock, it likely means investors have passed on it for one reason or another.

It doesn't always mean that something disastrous could happen, such as a dividend cut. It just means there is likely more risk you have to be aware of.

Nevertheless, these stocks can often be some of the best for investors to buy. So, if you're looking for a high-yield dividend stock to buy now, here are two of the best in Canada.

A top blue-chip stock

One company I'd imagine you'll find on almost every top dividend stocks list is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The massive energy giant, with a [market cap](#) of roughly \$100 billion, has operations in several segments that span North America. And because energy is such a crucial industry, Enbridge is one of the best companies you can own.

Its incredible portfolio of diversified energy operations from pipelines to [renewable energy](#) gives the stock a tonne of resiliency, even during downturns in the commodities cycle.

This is how Enbridge has been able to increase its dividend for 26 consecutive years now and by more than 50% in the last five years, showing it's one of the best dividend stocks in Canada.

That's not even the best part, though. That dividend, which is highly stable and is increased annually, yields an impressive 6.75% today.

There is little risk with an incredible stock like Enbridge. While some investors may be concerned about the company's future and exposure to oil, Enbridge has proven this is not a problem. Plus, it's continuing to diversify its business and is growing its renewable energy segment rapidly.

So, if you're looking to build a passive-income stream, Enbridge is certainly one of the best dividend stocks in Canada for investors to consider.

A popular royalty stock for dividend investors

Pizza Pizza Royalty ([TSX:PZA](#)) is another great choice. The company is one of the best dividend stocks in Canada, because it consistently aims to pay out all of its earnings.

It's also ideal because it earns a top-line royalty from all the Pizza Pizza and Pizza 73 locations in Canada. Because the company earns this royalty off sales, the revenue the company receives tends to be a lot more stable.

Besides the impact from the pandemic, Pizza Pizza's revenue would typically fluctuate only a few percentage points from quarter to quarter.

This is ideal, because it makes the fund's income and, consequently, the dividend income for investors a lot more predictable.

Today, its dividend is yielding roughly 6.3% after it was just increased again earlier this month. Despite that dividend increase, though, Pizza Pizza hasn't yet fully recovered from the pandemic.

So, if you're interested in Pizza Pizza, one of the best dividend stocks in Canada, it's worth considering today. The stock has minimal risk for investors, especially if you can buy it cheap enough. Plus, as it continues to recover from the pandemic, you can expect to see more dividend increases down the road.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. danieldacosta
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2021/08/27

Author

danieldacosta

default watermark

default watermark