



## 2 High-Yield Dividend Stocks at Rock Bottom Prices

### Description

[Dividend investing](#) gives investors the opportunity to put their money to work and earn passive income apart from the returns through capital gains on their initial investments. Long-term investors who want to maximize their wealth growth can reinvest the dividends they earn from such companies through dividend reinvestment plans to leverage the power of compounding to become much wealthier in the long run.

If you are an investor with a long investment horizon, I recommend allocating a significant portion of your overall portfolio to [high-quality dividend stocks](#) that can provide you with solid shareholder returns through dividends. Finding such companies that are trading for valuations cheaper than their intrinsic values can also help you grow your wealth through capital gains as the companies appreciate during improving operating environments.

Today, I will discuss two such high-yield dividend stocks trading for attractive valuations that you should have on your radar.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has been a favourite of many investors looking for long-term buy-and-hold assets that they can add to their portfolios for reliable dividend income. The energy sector giant operates a massive pipeline network that transports crude oil and natural gas throughout North America.

Typically, Enbridge stock enjoys relative safety than its peers when commodity prices are volatile due to its midstream business. However, COVID-19 resulted in challenges for the company's revenues as declining oil prices and lower overall demand created headwinds for the industry. The year 2021 has been a different kind of year for Enbridge amid rising oil prices and surging demand for its services.

The company's diversified revenue streams have improved its fundamentals, and its increasing focus on renewable energy positions Enbridge stock to be an excellent long-term investment. The stock is trading for \$50.73 per share at writing and pays its investors a juicy 6.58% dividend yield.

## Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is another prominent energy transportation company. Unlike Enbridge, Pembina Pipeline prioritizes its midstream services.

The company relies on long-term contracts based on the volume of commodities transported rather than the price of crude oil and natural gas. Its resilient business model has allowed Pembina Pipeline to deliver consistent dividend growth by earning substantial and predictable cash flows.

Much like its peers, the pandemic saw the company's share prices decline. However, improving revenues this year will likely see its revenue growth surpass its pre-pandemic levels. The stock is trading for \$38.93 per share at writing. It is up by 27.39% on a year-to-date basis and provides its shareholders with monthly payouts with a juicy 6.47% dividend yield.

## Foolish takeaway

Enbridge and Pembina Pipeline are both energy transportation companies that generally enjoy a significant hedge against volatile commodity prices due to their relatively low-risk operations. However, the pandemic resulted in challenges for the entire sector and caused the valuations of the high-quality companies to decline.

As the economic expansion continues and the energy demand [improves](#), Enbridge stock and Pembina stock have seen industry conditions improve. Higher commodity prices and rising energy demand will likely boost revenues for both companies, providing shareholders with significant returns through capital gains and shareholder dividends.

If you are looking for high-quality dividend stocks trading for a bargain right now, Enbridge stock and Pembina Pipeline stock could be valuable additions to your portfolio.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

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