



4 TSX Stocks to Buy With Dividends Yielding Over 6%

Description

Dividend stocks appeal to me, as they offer consistent income, even amid volatility, and enhance the overall returns. Meanwhile, the lower interest rate environment has made dividend-paying stocks even more attractive owing to their higher yields.

However, with several companies providing dividends and offering high yields, it's tough to find reliable bets that could generate consistent income in the long run. Further, it is essential to ascertain whether the payout of a dividend-paying company is sustainable in the long run.

With top-quality, high-yield dividend stocks in the background, I have shortlisted four stocks worth investing in at the current price levels. These TSX-listed companies generate solid earnings and cash flows, implying their payouts are safe and sustainable. Furthermore, these companies offer high dividend yields of 6% and above.

Enbridge

I'll begin with **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock, one of the most reliable dividend stocks offering a [high yield](#). The energy giant has consistently paid dividends for over 66 years. Moreover, it has raised dividends at a compound annual growth rate (CAGR) of 10% for 26 years — the highest among its peers. It pays a quarterly dividend of \$0.835 a share, resulting in an attractive yield of about 6.6%.

Enbridge's high-quality and diversified assets, contractual framework, and low-risk utility-like business model augur well for future payouts. Meanwhile, a favourable energy outlook and recovery in mainline volumes will likely drive its cash flows. Further, Enbridge's secured capital growth program and growth opportunities in the gas and renewable power business will likely support its earnings and drive its annual dividend higher.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is another solid stock in the energy space that investors should add to their [passive-income portfolio](#). This Canadian stock has distributed over \$10.1 billion in dividends since its inception. Meanwhile, it has increased its dividend annually by about 5% in the last

decade. Pembina pays a monthly dividend of \$0.21 a share, translating into a stellar yield of 6.4%.

I expect Pembina to continue rewarding its shareholders with higher dividend payments due to its highly contracted business that generates stable fee-based cash flows. Further, an improving operating environment, higher volumes, increased pricing, and operating efficiencies will continue to drive its earnings and future cash flows. Meanwhile, its exposure to diverse commodities and newly secured growth projects will likely support its profitability.

Pizza Pizza Royalty

Pizza Pizza Royalty ([TSX:PZA](#)) is another high-yield stock offering monthly payouts to its shareholders. The quick-service restaurant company offers a monthly dividend of \$0.06 per share with an impressive dividend yield of about 6.4%.

While Pizza Pizza is currently facing near-term headwinds due to COVID-led restrictions, the expectation of normalization in its operations with the recovery in consumer demand could significantly boost its financial performance and, in turn, its stock. Meanwhile, its network expansion, strong delivery sales, focus on delivery promotions, and recovery in traffic growth will likely boost its overall financials and dividend payments.

NorthWest Healthcare

Like Pembina Pipeline and Pizza Pizza, **NorthWest Healthcare** ([TSX:NWH.UN](#)) pays a monthly dividend and yields over 6%. The company's low-risk business and its diversified healthcare real estate assets support its payouts.

Notably, NorthWest's most of the tenants are government-backed, while a significant portion of its rent is inflation-indexed. Further, its low-risk and diversified healthcare assets and long lease expiry term add stability to its cash flows, supporting its dividend payments. Meanwhile, the company is well positioned to deliver strong growth due to its strong balance sheet, expansion in high-growth markets, and strategic acquisitions.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. Editor's Choice

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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