



3 Top High-Yield Stocks for Retirees to Buy Now

Description

Canadian pensioners are trying to increase the returns they get on their savings. This is a challenge in the current environment where savings accounts pay next to nothing and [GICs](#) offer rates below inflation. As a result, retirees are turning to top dividend stocks to get better yields on investments.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) traded for \$75 per share before the pandemic. Investors can now buy the stock for close to \$62.50 and get a 5.6% dividend yield.

TC Energy has all the characteristics of a top dividend stock for income investors. Revenue primarily comes from regulated assets or long-term contracts. The company grows through a combination of strategic acquisitions and organic development projects. The assets provide essential services for the North American economy and their value should grow over time.

TC Energy operates natural gas pipelines, natural gas storage facilities, power plants, and oil pipelines. The current \$21 billion capital program is among the largest in the energy infrastructure sector and TC Energy expects cash flow to grow enough to support annual dividend increases of at least 5%.

The stock looks cheap at the current price and could retest the pre-pandemic high over the next two years.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a mid-stream services company catering to energy producers. The company has a broad portfolio of assets that range from oil and gas pipelines to gas gathering and processing facilities, and logistics operations.

The one-stop-shop nature of the company gives Pembina Pipeline an advantage in the market, and the management team is constantly searching for strategic acquisitions to add to the portfolio.

Pembina Pipeline also grows through organic projects. In addition, the business seeks out partnership opportunities when it makes sense to go that route. For example, Pembina Pipeline is teaming up with TC Energy to create a carbon-sequestration hub to help energy companies meet [ESG](#) goals as they pursue net-zero emissions targets.

Pembina Pipeline trades near \$40 per share compared to \$53 before the pandemic. The dividend should be very safe and provides a 6.25% yield at the current share price.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) trades for close to \$78 per share compared to the 2021 high around \$82. Investors who buy the stock now can pick up a 4.6% dividend yield.

The bank is sitting on a large capital position it built up to cover potential loan losses due to the pandemic. The feared wave of defaults never happened, as people and businesses have continued to make mortgage and loan payments thanks to government support programs.

Once the government aid ends, there will likely be an uptick in bankruptcies, but Bank of Nova Scotia can cover those losses and still has significant funds to deploy. Investors should see a generous dividend increase when the government allows the banks to restart distribution hikes. In addition, Bank of Nova Scotia recently said it is considering wealth management acquisitions in the United States.

The bank's stock performance has trailed most of its peers in 2021, so it could catch up next year, as the global economy rebounds and the international operations generate better results.

The bottom line

TC Energy, Pembina Pipeline, and Bank of Nova Scotia are all top-quality companies that pay great dividends offering above-average yields. If you have some cash to put to work in a TFSA income portfolio these stocks deserve to be on your buy list.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:PBA (Pembina Pipeline Corporation)

3. NYSE:TRP (Tc Energy)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:PPL (Pembina Pipeline Corporation)
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