Passive Income: 3 Canadian Stocks to Buy in November

Description

With interest rates at all-time lows, passive income from equities and other alternatives is incredibly important. After inflation, cash in a high-interest savings account is still losing buying power. Consequently, there really is no alternative to supplementing your income needs than by being long income-producing equities. If I were looking to deploy some fresh cash into some passive income stocks, here are three I would look to buy in November.

A top Canadian bank for passive income

Today, Canadian banks look to be a pretty attractive place to connect with some solid passive income. With a market cap of $188 billion, **Royal Bank of Canada** (TSX:RY)(NYSE:RY) is not only the largest financial institution in Canada, but it is also the second-largest stock on the **Toronto Stock Exchange**.

RBC has a very large and diverse platform of operations spread across retail banking, capital markets, wealth management, and insurance. This diverse mix helps balance out general economic volatility. Today, the bank is in a strong position to benefit from rising interest margins and broad economic growth in North America.

Right now, it pays a quarterly dividend of $1.08 per share. On an annual basis that equals a 3.3% dividend yield. This passive income stock is loaded with excess capital. Now that regulators have released capital restrictions on Canadian banks, investors can likely expect RBC to raise its dividend in the near future.

A top yielding passive income stock

If you are looking for a high-yielding passive income stock, I don't think you can find a better one than **Enbridge** (TSX:ENB)(NYSE:ENB). Every quarter, it pays a $0.835 dividend to shareholders. If you put $10,000 into this stock today, you would earn $155 every quarter! That is equal to a 6.2% annual dividend yield.

While it came out with some disappointing third-quarter results last week, it is nothing to fret about. The company announced a number of major project completions in the quarter (notably its Line 3 Replacement Project). All of these should contribute meaningfully to cash flow growth next year.

This passive income stock is positioned as a traditional energy play today and renewable energy leader in the future. Given its outsized yield, this is a great risk-averse way to get exposure to the broader energy sector.

A dividend grower with capital upside

Speaking about energy, one renewable stock investors can buy for solid passive income is **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). With a 3.05% dividend yield, it doesn't pay the largest dividend. However, it has a long history of dividend growth. In fact, it has grown its dividend payout by a 6% compound annual growth rate (CAGR) since 2012.

Brookfield is the gold standard when it comes to green energy players. Today, it operates 21,000 megawatts of renewable power across the globe. It has enviable hydropower assets that offset the power variability that other renewable power assets struggle with.

This company is connecting with some of the world's largest corporations to de-carbonize their power needs. It has the balance sheet, scale, and expertise to be a leader in this space for years. For a growing stream of passive income and a long runway of compounding capital growth, this is my favourite stock in the green energy space.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:RY (Royal Bank of Canada)

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