3 Top Passive-Income Stocks That Yield up to 6.5%

Description

The **S&P/TSX Composite Index** climbed 120 points on November 11. Markets looked shaky in late October but have come out strong over the last two weeks. Despite this, investors should be cautious, as the Bank of Canada (BoC) has suspended its quantitative easing bond-buying program and aims to hike interest rates in the months ahead. Today, I want to look at three passive-income stocks that you should look to stash as we prepare for this policy shift.

This surging energy stock offers solid passive income

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is a Calgary-based company that provides transportation and midstream services for the energy industry. In late October, I'd looked at energy stocks to snatch up as gas prices were on the rise. Shares of this passive-income stock have climbed 36% in 2021 as of close on November 11.

The company unveiled its third-quarter 2021 results on November 4. Total revenue was reported at $2.14 billion — up from $1.49 billion in the prior year. Meanwhile, adjusted cash flow from operations increased to $786 million compared to $524 million in the third quarter of 2020. Adjusted EBITDA jumped to $850 million over $796 million.

Shares of this passive-income stock are trading in average value territory in comparison to its industry peers. It offers a monthly dividend of $0.21 per share. That represents a strong 6% yield.

A rebounding economy is great news for this stock

The construction industry was one of the more robust in the face of the COVID-19 pandemic. However, it still took its lumps over the course of 2020. It has enjoyed a strong rebound, as economic growth has bounced back in a big way this year.

Bird Construction (TSX:BDT) is a Mississauga-based company that operates as a general contractor across the country. Last year, I'd suggested that investors should snag this passive-income stock at a discount. Shares of Bird Construction have climbed 34% in the year-to-date period. The stock is up 60% from the previous year.

In Q3 2021, the company delivered revenue growth of 80% to $621 million. Meanwhile, adjusted EBITDA rose 29% year over year to $28.6 million. Shares of this passive-income stock still possess a favourable price-to-earnings (P/E) ratio of 10. It offers a monthly distribution of $0.033 per share. That represents a 3.6% yield.

One more promising passive-income stock to snatch up today

Extendicare (TSX:EXE) is the third passive-income stock I'd consider today. The company provides care and services for seniors in Canada. Its shares are up 12% in 2021. The stock has climbed 29% from the prior year.

The company released its third-quarter 2021 earnings on November 4. Its long-term-care (LTC) occupancy was up 360 basis points from the previous quarter. Meanwhile, revenue rose 4.5% year over year to $310 million. This was powered by an 11% jump in home healthcare average daily volumes.

This passive-income stock possesses an attractive P/E ratio of 21. It last paid out a monthly dividend of $0.0.04 per share, representing a tasty 6.5% yield.

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3. TSX:EXE (Extendicare Inc.)
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