



2 Dependable High-Yield Dividend Stocks to Buy While They're Still Cheap

Description

Most investors would agree that stocks these days are generally quite expensive. There is a tonne of high-quality companies, but not necessarily a tonne of high-quality investments to make. For this reason, it's crucial that whatever dividend stocks we decide to buy are cheap. However, when we're looking at investing in high-yield dividend stocks, we also want to make sure that they are dependable.

As dividend stocks sell off, their yield naturally increases. So often, when you can find a cheap [dividend stock](#), you can not only buy the stock at a discount but also lock in a significant dividend yield.

Then, of course, with high-yield stocks that are trading cheap, while you have to make sure that there aren't significant risks that could cause the dividend to be trimmed, these stocks can provide some of the highest-potential opportunities.

So if you're looking for a high-quality stock to buy today, here are two of the best high-yield dividend stocks to consider while they still offer excellent value.

A top royalty stock

If you're looking for a high-yield dividend stock you can have confidence owning, **Boston Pizza Royalties** ([TSX:BPF.UN](#)) is one you may want to consider.

Restaurant royalty stocks like Boston Pizza, which earn a royalty on the sales from all of their locations, are some of the most straightforward businesses to own. So often, if the company is experiencing some headwinds, and there is a risk of the dividend being trimmed, you'll have an idea a few quarters ahead of time.

For example, in a typical quarter, Boston Pizza reports operating margins of 97% or higher. The company collects all the royalties that have come in, pays a small number of expenses to the employees of the fund, and has almost all of it leftover to pay interest, taxes, and return cash to shareholders.

So as long as you pay attention to key performance indicators like same-store sales growth, as well as keeping an eye on Boston Pizza's dividend, you can be confident owning this high-yield stock in your portfolio.

Plus, the stock is currently in the midst of recovering from the pandemic. It's been increasing its dividend considerably lately, although there is still room for more growth.

So although the dividend, which yields roughly 6.4%, is still attractive today, I wouldn't be surprised to see another significant dividend increase over the next few quarters.

A top high-yield energy stock

Another excellent high-yield dividend stock that you can depend on is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge is a massive energy giant that's operations are at the heart of the North American economy. This gives the company a tonne of resiliency and the ability to continue earning tonnes of cash flow no matter what the economic environment is like.

Part of the reason why Enbridge is such an excellent dividend stock is that it owns long-life assets with major barriers to entry. So its operations, which are highly defensive, are consistently earning it tonnes of cash flow that the company uses to pay out investors as well as invest in growing the company.

Most recently, some of the major investments it's been making are in renewable energy, which helps to diversify its operations even more.

Therefore, for over a quarter of a century now, each year, the company [has increased its payout](#) to investors. Plus, the dividend is already extremely appealing with a current yield of roughly 6.6%.

So if you're looking to increase your passive income and buy a high-yield dividend stock that you can have confidence owning for years, Enbridge is one of the best Canadian stocks to consider.

CATEGORY

1. Dividend Stocks

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