Worried About Rising Volatility? 3 Top Dividend Stocks With Yields Above 5%

Description

Amid companies posting solid earnings, the Canadian equity markets have continued their upward momentum, with the **S&P/TSX Composite Index** rising 24% higher for this year. Meanwhile, the steep increase in stock prices has also raised their valuations. The rising inflation, withdrawal of quantitative easing measures by the Bank of Canada, and rising COVID-19 cases worldwide due to the new variant are also a cause of concern.

So, given an uncertain outlook, investors should strengthen their portfolios with fundamentally strong companies that pay dividends at a healthier rate. Meanwhile, the following three companies offer excellent buying opportunities, given their strong fundamentals and a dividend yield of above 5%.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) owns and operates healthcare properties across seven countries, with over 2,000 tenants. Given its defensive portfolio, long-term lease contracts, and government-supported tenants, the company enjoys high occupancy and collection rate. So, its cash flows are stable and predictable, thus allowing it to reward its shareholders with a healthy dividend rate. Currently, it pays a monthly dividend of $0.0667, with its forward yield standing at 5.77%.

Meanwhile, NorthWest Healthcare's outlook looks healthy, with around $1 billion of projects under development. Besides, the company plans to acquire the Australian Unity Healthcare Property, which owns and operates 62 healthcare facilities with a healthy occupancy rate of 98%. So, given its substantial growth prospects, I believe NorthWest Healthcare is well-equipped to continue paying dividends at a healthy rate.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has raised its dividends at a compound annual growth rate (CAGR) of over 10% for the last 26 consecutive years. It operates above 40 diverse revenue-generating assets, with around 98% of its adjusted EBITDA generated from regulated or long-term contracts. So, its cash flows are stable and predictable, thus permitting its management to raise its dividends consistently. Currently, its forward dividend yield stands at an attractive 6.61%.

Meanwhile, the recovery in energy demand amid the reopening of the economy could increase the throughput of the company's liquid pipeline segment. Its continued investment in secured growth projects could expand its midstream and renewable assets, thus boosting its financials in the coming quarters. Also, with its liquidity standing at $10 billion at the end of the third quarter, I believe Enbridge's dividends are safe.

BCE

Amid rising digitization and growing adoption of online shopping, remote working, and remote learnings, the demand for faster and reliable internet service is increasing, thus expanding the addressable market for **BCE** (TSX:BCE)(NYSE:BCE). Meanwhile, the company is investing aggressively to accelerate the expansion of its 5G service, fiber, and rural wireless home internet networks. These investments could help the company in acquiring new customers and increasing its market share. In the recently posted third quarter, the company added 266,919 new customers.

Notably, at the end of the September-ending quarter, BCE's liquidity stood at $6 billion. So, it is well-positioned to fund its growth initiatives and also pay dividends at an attractive rate. Currently, its forward yield stands at 5.36%. Besides, the company has raised its dividends at a CAGR of 6.7% over the last 10 years. So, given its healthy growth prospects, excellent track record, and attractive yield, BCE would be an excellent addition to your portfolio.

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Date
2025/07/02
Date Created
2021/11/26
Author
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