



4 Safe Canadian Dividend Stocks That Deliver Yields Over 5%

Description

The equity markets have become highly volatile over the last few days amid the growing concerns over the resurgence of COVID-19 due to the new highly infectious variant, Omicron. The **S&P/TSX Composite Index** has also fallen by 4.5% since November 26. So, amid rising volatility, investors should consider adding the following four dividend stocks to shield their portfolios from market volatility while paying dividends at healthier yields.

NorthWest Healthcare

With a dividend yield of 6.05%, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) could be an excellent buy right now. Thanks to its highly defensive healthcare portfolio, diversified customer base of over 2,000 tenants, and long-term agreements, it enjoys a high occupancy and collection rate, thus delivering stable cash flows. These predictable cash flows have allowed the company to pay dividends at a healthier yield.

Meanwhile, NorthWest Healthcare's growth prospects also look healthy. It has around \$1 billion projects in the developmental stage while also focusing on acquiring assets across Europe, Canada, and Australia. These growth initiatives could boost the company's cash flows in the coming quarters. So, I believe NorthWest Healthcare's dividends are safe.

Algonquin Power & Utilities

Second on my list is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which has increased its dividends by double digits every year over the last 11 years. Its low-risk utility businesses, regulated renewable power-generating facilities, and strategic acquisitions have allowed the company to raise its dividends consistently. Currently, it pays a quarterly dividend of US\$0.1706 per share, with its forward yield standing at 5%.

Meanwhile, Algonquin Power & Utilities has [signed an agreement](#) to acquire Kentucky Power Company and Kentucky Transmission Company from American Electric Power Company for US\$2.85

billion. The management expects to complete these acquisitions by mid-2022. The acquisitions could increase its regulated rate base by US\$2.2 billion while increasing the overall business mix to around 80% of regulated business. So, given its solid underlying business and strategic acquisitions, I believe Algonquin Power & Utilities is well positioned to continue rewarding its shareholders with dividend hikes.

BCE

Amid rising digitization, the demand for reliable internet service has been growing. So, I have selected **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) as my third pick. It has accelerated its investment to expand its 5G network, fibre, and rural wireless home internet networks across the country. These investments could allow the company to increase its customer base and drive growth in the coming years. With its liquidity standing at \$6 billion, the company is well equipped to support its growth initiatives.

Additionally, BCE has a long history of paying dividends, with the company paying its first dividends in 1881. Meanwhile, over the last 10 years, it has increased its dividends at a CAGR of 6.7%. Currently, it pays a quarterly dividend of \$0.875 per share, with its forward yield standing at 5.32%. So, [I believe BCE can be an excellent buy in this volatile environment.](#)

Enbridge

My final pick is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which has been paying dividends uninterrupted for 66 years. Meanwhile, it has increased its dividends at a CAGR of over 10% for 26 consecutive years. Currently, its forward dividend yield stands at an impressive 7%. The company operates over 40 revenue-generating assets, with around 98% of its adjusted EBITDA generated from regulated assets. So, its cash flows are predictable, thus allowing the company to raise its dividends consistently.

Meanwhile, the rising energy demand could drive the throughput of Enbridge's liquids pipeline segment. Its planned investment in secured growth projects could boost its financials in the coming years. So, given its high dividend yield, healthy growth prospects, and solid liquidity of \$10 billion, Enbridge can outperform in this uncertain outlook.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)

6. TSX:ENB (Enbridge Inc.)
7. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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