Canadian Dividend Stocks Under $50: Top 4 Picks With Yields Over 4.5%

Description

The Canadian stock market has plenty of dividend stocks trading cheap but offering reliable dividends. So, if you are planning to invest in a few, consider buying these four dividend stocks trading under $50.

Pembina Pipeline

Shares of **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) recovered from its pandemic lows on account of improving volumes and higher commodity prices. However, its stock is still trading cheaper than peers, while it offers a high and reliable dividend yield.

It's worth noting that Pembina has consistently paid dividends for more than two decades. Its highly contracted business generates robust fee-based cash flows that support higher dividend payments. I expect Pembina to benefit from newer assets placed into service, higher volumes, and increased commodity prices. Pembina stock is trading at an NTM EV/EBITDA multiple of 9.2, which is well below its historical average. Meanwhile, it offers a 6.7% yield.

Algonquin Power & Utilities

Thanks to its high-quality earnings base, **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) is another reliable dividend stock priced under $50. Algonquin Power & Utilities has consistently increased its dividends over the past 11 years and offers a yield of 4.9%. Meanwhile, its growing rate base and solid earnings-growth guidance suggest that the company could continue to boost its shareholders' returns through higher dividend payments.

Algonquin Power recently announced that it expects its rate base to increase at a CAGR of 14.6% over the next five years. Meanwhile, its adjusted net earnings are projected to increase by 7-9% during the same period. Algonquin Power expects its dividends to grow, driven by growth in adjusted earnings. Meanwhile, its payout ratio of 80-90% of normalized earnings is sustainable in the long term.

NorthWest Healthcare Properties

Next up are the shares of **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). Its low-risk and defensive assets generate solid cash flows supporting its monthly payouts. It's worth noting that NorthWest Healthcare benefits from a higher occupancy rate and long lease expiry term. Furthermore, most of its tenants are backed by governments and the majority of its rents are indexed for inflation.

Looking ahead, NorthWest Healthcare will likely benefit from geographic expansion and continued strength in the existing markets. Moreover, its resilient cash flows and balance sheet optimization will likely support its dividend payments. NorthWest Healthcare stock is trading cheap and offers a high yield of 6%.

Enbridge

I have said before that **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the most reliable bets for investors seeking a growing dividend income stream. Notably, the recent pullback in Enbridge stock has driven its prices below $50. Further, its dividend yield has risen to 7.2%, which is safe.

Enbridge has increased dividends for 27 years. Meanwhile, its multi-billion-dollar secured capital program, productivity initiatives, and revenue inflators suggest that Enbridge will likely deliver strong distributable cash flows and, in turn, will boost shareholders' returns through higher dividend payments and share repurchases. Overall, its diversified cash flow streams, utility-like predictable cash flows, growing renewable capacity, and growth projects augur well for future its future dividend payments.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
7. TSX:PPL (Pembina Pipeline Corporation)

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