



Boost Your Passive Income With These 3 Top Dividend Stocks

Description

Amid the concerns over rising inflation, the U.S. Federal Reserve announced to end its bond purchasing program by March 2022 and also raise interest rates three times in the next year. With the tightening liquidity and rising Omicron cases worldwide, the volatility in the equity markets could continue. So, given the uncertain outlook, investors can strengthen their portfolio with these three [dividend stocks](#) that pay dividends above 5% yield.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a midstream energy stock that earns around 95% of its adjusted EBITDA from regulated or long-term contracts. So, its cash flows are largely predictable, thus allowing the company to raise its dividends at a CAGR of 7% since 2000. Currently, it pays a quarterly dividend of \$0.87 per share, with its forward yield standing at 5.94%.

Meanwhile, TC Energy is [advancing with around \\$29 billion secured growth projects](#), which would become operational over the next five years. These investments could boost its financials in the coming years, thus helping in continuing with its dividend growth. So, management hopes to raise its dividends by 3-5% in the medium term. Given its attractive dividend yield and healthy growth prospects, I believe TC Energy would be an excellent addition to your portfolio.

BCE

My second pick is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), one of the three prominent players in the Canadian telecom space. With the increasing digitization and growth in remote working and learnings, the demand for faster and reliable internet service is rising, benefiting the company. Meanwhile, the company has also accelerated its capital investments to broaden its 5G and broadband services. These initiatives appear to have been yielding results, as the company's customer base increased by 9.9% year-over-year at the end of the September-ending quarter.

Meanwhile, the expanding addressable market and BCE's continued investments could drive its

financials and stock price in the coming quarters. The company also rewards its shareholders by consistently raising its dividends. Over the previous 10 years, it has increased its dividend at a CAGR of 6.7%. Meanwhile, its forward dividend yield currently stands at 5.37%. Given its healthy growth prospects and strong liquidity of \$6.1 billion, I believe BCE's dividends are safe.

Suncor Energy

Amid growing demand and supply concerns, oil prices continue to trade over US\$70 per barrel, benefiting oil-producing companies, such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Meanwhile, the company expects to increase its production by 5% next year, while its refinery throughput could reach pre-pandemic levels to capture the improving customer demand. Besides, the company has lowered its debt levels and increased its share repurchase program, which could boost its financials in the coming quarters.

Additionally, after reporting a solid third-quarter performance in October, Suncor Energy had doubled its quarterly dividend to \$0.42 per share. Its forward yield is currently standing at a juicy 5.55%. Meanwhile, amid the weakness in the broader equity markets, the company has lost over 10% of its stock value from last month's highs. The correction has dragged its valuation down, with its forward price-to-earnings multiple standing at 6.9. Given its cheaper valuation, higher dividend yield, and healthy growth potential, [Suncor Energy could be an excellent buy right now](#).

CATEGORY

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3. NYSE:TRP (Tc Energy)
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