



Got Spare Cash? Buy These 4 High-Yield Dividend Stocks

Description

With lower interest rates and high volatility, it's prudent to add dividend stocks for stability and consistent income. So, if you are sitting on idle cash and don't need it for emergency use, consider buying these high-yield dividend stocks.

Enbridge

With a [high dividend yield](#) of over 7.2% and a very long dividend payment history, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a top stock to put your idle cash into for consistent income. It has raised its dividends for 27 years in a row and could continue to increase it in the future on the back of its utility-like predictable cash flows.

Enbridge's earnings will likely get a boost from its secured capital program. Meanwhile, it expects its distributable cash flow per share to increase at a CAGR of 5-7% through 2024, implying that its dividend could grow at a similar pace over the medium term. Looking ahead, its diversified cash flow streams, new projects, revenue inflators, opportunities in the renewable segment, strategic acquisitions, and productivity savings will likely support its profitability and, in turn, its dividend payments.

Pembina Pipeline

Next up are the shares of **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which offer a dividend yield of over 6.6%. This energy infrastructure company has been paying dividends for more than two decades. Furthermore, its payouts are very safe owing to its diversified cash flows and highly contracted assets.

I am upbeat over Pembina's prospects and expect it to benefit from increased volumes and higher average commodity prices. Moreover, new growth projects and backlogs indicate that the company will likely deliver solid, fee-based cash flows, which will drive its dividends. Pembina stock is also [trading cheap](#) on valuation and looks to be an attractive long-term pick at current levels.

Capital Power

With its high dividend yield of over 5.6% and a sustainable payout ratio of 45-55%, **Capital Power** ([TSX:CPX](#)) is another stock worth investing in for stability and regular income. Besides offering a high dividend yield, Capital Power stock is trading at a considerable discount from its peers and its historical average. Its forward EV/EBITDA multiple of 7.5 is about 43% lower than the peer group average, indicating a strong buying opportunity.

Capital Power's low valuation and high yield make it a solid long-term bet. Furthermore, its diversified portfolio of renewable assets, long-term contractual arrangements, and strong developmental pipeline suggest that the company could continue to generate robust earnings and cash flows that will easily cover its higher dividend payments in the coming years.

Scotiabank

With its diversified revenue mix and high-quality earnings base, **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) is a solid stock for income investors. This bank has consistently grown its earnings and has paid dividends since 1833. Its dividends have increased at an average annualized rate of 6% for more than 11 years. Moreover, it is yielding about 4.6% at current price levels.

Scotiabank's exposure to the high-growth banking markets, growing scale, market share gains, and improving credit demand will likely drive its top line. Moreover, lower loan provisions, solid credit quality, and operating leverage will drive its earnings and, in turn, its dividends. Further, Scotiabank is trading at a lower valuation multiple than peers, making it an attractive investment in the banking space.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CPX (Capital Power Corporation)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)

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