Canadian Investors: Boost Your Passive Income With These 3 High-Yielding Dividend Stocks

Description

Although the Canadian equity markets have bounced back strongly from last month's lows, I expect the volatility to continue in the near term due to the uncertainty over the impact of the rising COVID-19 cases on the economy. So, given the uncertain outlook, investors can buy the following three high-yielding dividend stocks to earn stable passive income and strengthen their portfolios.

Enbridge

Given its excellent track record and high dividend yield, **Enbridge** (TSX:ENB)(NYSE:ENB) is my first pick. It has paid a dividend for 67 years while raising it uninterrupted for 27 years. It operates 40 diversified assets, with 98% of its adjusted EBITDA generated from regulated or take-or-pay contracts, thus delivering stable cash flows.

Last year, Enbridge had put $10 billion of projects into service. Meanwhile, over the next three years, the company's management expects to invest around $3-$4 billion annually to expand its core low capital intensity and utility assets, and an additional $2 billion on asset acquisition, the extension of organic projects, and share repurchases. Along with these investments, higher asset utilization rates due to energy demand growth and cost-cutting initiatives could drive the company's financials in the coming years. So, the management expects its DCF per share to grow at a CAGR of 5-7% through 2024.

Given its healthy growth prospects, liquidity of $10 billion, and attractive forward price-to-earnings multiple of 16.9, Enbridge could be an excellent addition to your portfolio.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) could also be a good addition to your portfolio in this volatile environment, given its highly defensive and diversified healthcare portfolio of 192 properties spread across seven countries. Thanks to its long-term agreements and governmentsupported tenants, the company enjoyed high occupancy and collection rate, even during the pandemic. A significant part of its rent is inflation-indexed, which is encouraging.

NorthWest Healthcare had acquired assets worth $400 million in the first nine months of 2021. It has approximately $1 billion of projects in the development stage while working on acquiring assets in Australia, the United States, and Europe. It had raised around $375 million in 2021, which could support its growth initiatives. Given its stable cash flows and healthy growth prospects, I believe NorthWest Healthcare's dividend is safe. It currently pays a monthly dividend of $0.0667 per share, with its forward yield standing at an attractive 5.93%.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) operates low-risk utility assets and highly regulated renewable power-generating facilities, generating stable cash flows. Supported by these robust cash flows, the company has raised its dividend at a CAGR of over 10% for the last 11 years. Currently, its forward dividend yield stands at a healthy 4.74%.

Meanwhile, Algonquin Power & Utilities also focuses on making strategic acquisitions to drive growth. Last week, it completed the acquisition of New York American Water Company for US$608 million. It is also working on acquiring Kentucky Power Company and Kentucky Transmission Company acquisitions. The company plans to invest around $12.4 billion over the next five years, adding utility and power-generating facilities. So, these investments and acquisitions could increase the company's rate base at a CAGR of 14.6%. The increase in rate base could boost its cash flows, thus allowing it to continue its dividend growth.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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