



4 Canadian Dividend Stocks for High Yields

Description

Irrespective of the high volatility in the market, few Canadian stocks offer high and reliable dividend yields that could boost your passive income. Further, the ongoing economic expansion and increased visibility over future earnings suggest that these companies could continue to return substantial amounts of cash to their shareholders in the form of dividends.

This article will focus on four dividend-paying Canadian stocks offering stellar [dividend yields](#).

TC Energy

With its growing dividends and a high yield of over 5.3%, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is the first stock on this list. Its high-quality regulated and contracted assets generate resilient cash flows that drive higher dividend payments. On average, TC Energy has raised dividends by 7% annually since 2000. Further, it projects future dividends to grow by 3-5% annually, which is encouraging.

I am bullish over TC Energy's long-term prospects. I expect it to benefit from secured capital projects, contractual arrangements, additional sanctioned projects, and cost-saving initiatives that will likely boost its EBITDA and earnings and, in turn, its [future payouts](#). Further, its conservative dividend payout ratio suggests that it is sustainable in the long term.

NorthWest Healthcare

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) offers a high yield of 6%, which is well protected through its resilient portfolio of healthcare real estate assets. It's worth noting that most of NorthWest's tenants are funded by governments. Meanwhile, its portfolio is well diversified across seven countries.

Overall, its low-risk assets, high occupancy rate, inflation-indexed rents, and long lease expiry term position it well to deliver strong cash flows that would support future payouts. Also, expansion into newer markets and robust acquisition and development profile augur well for growth.

Pembina Pipeline

Next up is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which offers a solid dividend yield of 6.3% at current price levels. Pembina owns a highly contracted and diversified asset base that consistently generates robust fee-based cash flows to support its payouts. Besides offering a high yield, Pembina stock is also trading cheaper than peers on the valuation front, making it an attractive long-term investment for a steady inflow of cash.

Pembina is expected to benefit from the recovery in energy demand and higher realized prices. Meanwhile, contractual arrangements, new projects, backlogs, and cost savings will likely support its cash flows and, in turn, its future payouts.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is an obvious bet for reliable dividend income and high yield. This energy infrastructure company owns over 40 diverse cash flow streams that produce resilient distributable cash flows and drive its dividend payment. Enbridge has raised dividends for over two-and-a-half decades. Further, its dividends have a CAGR of 10% during the same period.

It offers a high yield of 6.5%, which is reliable. Meanwhile, its strong secured projects, strength in the core business, high asset utilization rate, and revenue escalators are expected to drive its distributable cash flows at a healthy pace and support higher dividend payments.

Bottom line

On average, these four TSX stocks offer a high dividend yield of 6%, which is well protected through their resilient cash flows, making them top picks for steady passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
6. TSX:PPL (Pembina Pipeline Corporation)
7. TSX:TRP (TC Energy Corporation)

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