



3 TSX Energy Stocks With High Dividend Yields Above 5% to Buy Today

Description

When the stock market got choppy recently and all those high-growth overvalued tech stocks took a tumble, investors fled to value stocks. These are [large-cap](#), [blue chip companies](#) with good balance sheets, strong cash flow, profitability, and ever-increasing dividends with a long, consistent payout history.

Fortunately for Canadian investors, our stock market is full of these heavy-hitters. Today I'll be profiling three top stocks from the oil & gas midstream industry, part of the energy sector which was a top performer in 2021 and 2022 so far. These three giants have high dividend yields above 5% and the fundamentals to back them.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the undisputed king here. As Canada's largest energy infrastructure company, it operates through five segments: liquids pipelines, gas transmission and midstream, gas distribution and storage, renewable power generation, and energy services.

ENB's forward annual dividend yield sits at an incredible 6.30%. The company has paid dividends for the past 65 years with 26 consecutive years of annual increases, posting an incredible 11.74% five-year dividend growth rate. With a wide-moat competitive advantage in the sector, Enbridge could be a great long-term core holding in your portfolio.

TC Energy

If Enbridge is #1, then **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is #2 here. TRP builds and operates a 93,400 km network of natural gas pipelines from natural basins to local distribution companies, power generation plants, industrial facilities, interconnecting pipelines, and LNG export terminals.

TRP's forward annual dividend yield sits at a very respectable 5.40%, with a five-year average yield of 4.82%. While it might not be as substantial as ENB, holding this stock in addition is a good idea to

hedge against the risk that any single energy sector stock does poorly.

Pembina Pipeline

Our last pick today is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PPL](#)). PPL primarily operates through three segments: pipelines, facilities, and marketing & new ventures, dealing with conventional, oil sands and heavy oil, natural gas, condensate, and natural gas liquids, and hydrocarbon liquids and natural gas respectively.

While not as prominent or large as ENB or TRP, PPL is worthy of consideration for a dividend growth investor. The forward annual dividend yield nearly rivals ENB at 6.24%, with a five-year average dividend yield of 5.74%. Owning PPL in addition to ENB and TC would allow you to capture the entire midstream oil & gas sector.

The Foolish takeaway

[Dividend growth investors](#) chasing high yield should consider the Canadian energy sector, in particular ENB, TRP, and PPL. These three stocks offer excellent fundamentals, substantial dividend yields, a long history of payments and consecutive increases, and good competitive advantages. Buying and holding these three stocks as the core of an income-oriented portfolio could be a winning strategy.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PPL (PPL)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:TRP (TC Energy Corporation)

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