3 Canadian Dividend Stocks to Add for High-Yield Exposure Right Now

Description

The stock market has seen growth dominate for most of the past decade. Indeed, income investors in high-quality dividend stocks really haven't seen anywhere near the love investors have shown for growth stocks of late.

However, that could be about to change.

With inflation on the rise, investors appear to be looking for defensiveness over growth. Among the top dividend stocks I'm watching right now are these three long-term gems.

Let's dive in.

Top Canadian dividend stocks: Enbridge

Energy infrastructure behemoth **Enbridge** (TSX:ENB)(NYSE:ENB) is what most investors would call a high-yield stock. This company's 6.3% yield is actually down considerably of late, reflecting some strong capital appreciation with this stock.

However, the company hasn't taken its foot off the pedal. Enbridge recently announced yet another dividend hike of 3% to its annual distribution. While small, this uptick represents the 27th consecutive annual increase for this company. Previously, Enbridge had averaged annual increases in the double-digit range.

There has been a solid global push towards lowering carbon emissions. And it's difficult not to be emotional about news related to global warming. However, it's clear that fossil fuels will be required to bridge the gap for some time. Those looking for a stable long-term holding in the energy sector have reason to consider Enbridge right now.

SmartCentres REIT

The real estate sector, and REITs in particular, are well known among income investors for their dividend yields. One such REIT that I've been pounding the table on of late is **SmartCentres REIT** (TSX:SRU.UN).

This retail-oriented REIT held a double-digit dividend yield during the pandemic — a yield which has since come down considerably. Currently yielding around 6%, SmartCentres isn't short on providing income to shareholders. Like Enbridge, this REIT is also expected to increase its distribution over time.

The company's payout ratio is approaching 100%, leading for some concern among investors. However, it's clear that given the recent inflation data, strong pricing power could lead to future rent hikes. For investors looking for a high-upside pick a little further along the risk spectrum, this is certainly an intriguing dividend stock to consider.

Peyto Exploration

Finally, we have energy producer **Peyto Exploration** (TSX:PEY) on this list of top dividend stocks. Pyro is one of the lowest-cost producers of its peers, focusing on oil and natural gas development. As a long-term investment, this stock has been a shaky one, booming and crashing on a number of occasions.

However, what I like about Peyto is this company's leverage to oil prices. I think in a rising energy price environment, such as the one we're in, Peyto is a great way to play this space. Those bullish on multi-year strength in the energy sector may want to take a look at this stock at these levels.

The surge of more than 100% in Peyto stock over the past year is a reflection of shifting sentiment in this space. Again, for those who think this is a longer-term trend, Peyto stock is one that could outperform from here. For now, I remain bullish on this dividend stock, which currently yields 6.2% at the time of writing.

CATEGORY

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:PEY (Peyto Exploration & Development Corp)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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