



## Dividend Investors: 2 High-Yield Stocks for Reliable Passive Income

### Description

Pensioners and other income investors are searching for top dividend stocks with high yields that can help protect against rising inflation.

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) raised its dividend in each of the past 22 years. At the time of writing, the stock provides an attractive 5% dividend yield.

The energy infrastructure giant is positioned to benefit from the surge in global demand for natural gas. Countries around the globe are turning to natural gas to replace coal and oil to generate electricity while they ramp up investments in renewable power. Even when solar, wind, and hydroelectric facilities are in place there still needs to be reliable power production that can offset demand surges and provide supply during times when weather conditions inhibit renewable power generation.

The U.S. just announced a deal to provide Europe with more liquified natural gas (LNG), as the continent looks to reduce its reliance on Russia. This will drive new demand for gas produced in the U.S. and Canada and TC Energy has the infrastructure in place or under construction to get the natural gas from the producers to the LNG facilities.

TC Energy also has oil pipelines and power production facilities to balance out the revenue stream. The board raised the dividend by 3% for 2022, and investors should see annual hikes in the 3-5% range over the next few years.

### Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is a midstream energy infrastructure player that primarily supports Canadian oil and gas producers. It is a one-stop shop in the oil and gas [sector](#) that offers services such as gas gathering and processing, logistics, transmission, and gas liquids exports. Pembina Pipeline is also looking into investments in carbon sequestration and storage and has

partnered with First Nations groups to evaluate an opportunity to build a new LNG facility.

Pembina Pipeline has a strong history of growth over the past 65 years through strategic acquisitions and internal development projects. Management did a good job of shoring up the balance sheet in 2020, and some delayed projects are now coming back online.

The rebound in the oil and natural gas markets looks set to continue for some time. As producers ramp up capital programs and boost output, Pembina Pipeline should see demand surge for its services.

The stock looks attractive right now and provides a 5.3% dividend yield.

## The bottom line on top high-yield stocks for dividend investors

Canadian inflation is running above 5% in 2022 and will likely remain elevated until global supply chain issues start to get resolved and labour shortages disappear. Retirees and other income investors can still only get about 3% on a five-year GIC, so dividend stocks remain the most attractive option to generate yields that can come close to covering the current rate of inflation.

Stocks carry risks, but top dividend payers tend to see their share prices move higher over the long term. TC Energy and Pembina Pipeline both pay attractive dividends that should be safe. Investors can quite easily build a diversified portfolio of top TSX dividend stocks today that would provide an average yield of 5% to 5.5%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:TRP (TC Energy Corporation)

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