



3 High-Yielding TSX Dividend Stocks That Are Ultra Cheap Today

Description

Investors have been flocking to safe dividend stocks, as geopolitical, economic, and market worries continue to mount. Frankly, every investor should have some exposure to quality dividend-paying stocks. Dividend income is a great way to offset short-term stock market volatility.

Dividend yields are compressing as investors flock to safety

Unfortunately, this flood to safety has meant dividend yields are compressing. More demand for income stocks means their prices rise and their dividend yields go down. Ultimately, the best time to buy dividend stocks is when they are beaten down — not when they are in demand.

While the hunt for high-yielding stocks is more challenging today, there are still some interesting opportunities to buy relatively [cheap stocks](#). Here are three high-yielding dividend stocks that look attractive today.

Enbridge: A solid, high-yielding dividend stock

Despite rising 16% in 2022, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) still pays an attractive 6% dividend yield. There are not many [safe stocks](#) where you can find a sustainable dividend over 6% today. Yet Enbridge is still a good bet here.

Energy prices have risen to multi-year highs. At some point, that will translate into increased oil production. Eventually, higher energy volumes will flow through its infrastructure network. Enbridge transports more than 20% of the oil produced in North America, so it holds a dominant and essential position in the market.

Enbridge is focusing its current and future capital expenditures on natural gas and renewable infrastructure. Consequently, as the world slowly transitions from fossil fuel energy, it will be well positioned to provide infrastructure services for a greener future.

Superior Plus: A growth-by-acquisition story

Another **TSX** dividend stock with an elevated yield today is **Superior Plus** ([TSX:SPB](#)). It is becoming a dominant leader in propane distribution across North America. Today, Superior Plus stock pays an attractive 6.1% dividend yield.

Superior has been growing by consolidating smaller propane distributors in Canada and the United States. Since 2017, it has acquired 25 propane and NGL-focused businesses. It just completed the [large acquisition](#) of Kamps Propane — a deal that should be immediately accretive to shareholders.

Superior has taken on a significant amount of debt to fund this strategy, so that is one risk to monitor. However, if management can achieve its long-term growth targets, shareholders should enjoy a nice mix of high-yielding dividends and capital returns from here.

Sylogist: A technology stock with a high dividend yield

You don't often associate high dividend yields with technology stocks. However, one underfollowed TSX stock with a great dividend is **Sylogist** ([TSX:SYZ](#)). It provides enterprise planning software-as-a-service solutions for governments, school districts, and non-for-profit organizations.

The stock has recently been declining, but it is hard to find a reason why. Today, at \$9.50 per share, this dividend stock is yielding 5.1%!

Sylogist services are essential to its customers. As a result, the company captures high recurring revenues. Likewise, it has very low customer churn. This translates into very healthy free cash flow margins from its services.

The company has a new leadership team that is investing heavily in long-term growth initiatives. The company is hoping to consistently hit "Rule-of-40" growth (its growth rate and profit margin combined should be over 40%) on a go-forward basis.

There may be some short-term volatility in this process. Yet, over the long term, this dividend stock could provide very attractive total returns for shareholders willing to be patient.

CATEGORY

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2. TSX:ENB (Enbridge Inc.)
3. TSX:SPB (Superior Plus Corp.)
4. TSX:SYZ (Sylogist Ltd.)

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