



3 Big-Dividend Stocks With 6% Yields

Description

Investors are rethinking their strategies in Q2 2022, because current events could lead to a stagflation. However, Bank of Canada governor Tiff Macklem's message to them last week was reassuring. He said, "There's no reason to worry about inflation getting out of hand."

Like other central banks, Canadian policymakers are adjusting to avoid inflationary pressures and a recession. According to Garey Aitken, the chief investment officer for Franklin Bissett Investment Management, the geopolitical event happening today is a big negative shock for markets to withstand.

Investing strategy

Canada's inflation reading for March 2022 will come out this month, and the consensus estimate is 6.1%, or higher than the 5.7% in February. While there's no hard evidence that dividend stocks perform better during high inflation, [dividend investing](#) is one way to combat it.

If you're alarmed by rising prices, three companies paying over 6% dividends are worthy of consideration.

Measured pace of dividend growth

Freehold Royalties ([TSX:FRU](#)) paid a total of \$68.6 million in dividends in 2021, which is about 94% over the total payouts in 2020. Also, the \$2.41 billion oil & gas royalty company raised its monthly dividend in every quarter last year. The share price today is \$16 (+39.36% year to date), while the dividend yield is 6%.

On April 18, 2022, this [dividend stock](#) was among the top advancers with its 5.89% gain. Freehold's president and CEO David M. Spyker said the company has cemented further its royalty positions in some of North America's best oil and gas basins last year.

Management said it is well positioned to participate in a higher commodity price environment. Because

of the strengthened asset base, balance sheet, and the long-term business sustainability, Freehold will continue with its measured pace of dividend growth.

Strong market demand

Acadian Timber ([TSX:ADN](#)) delivered strong operating results in 2021, despite the challenging environment. The \$322.55 million company manages vast acres of timberlands and supplies customers in North America with softwood, hardwood, and biomass products.

Last year, total sales and operating income increased 5.2% and 4.5% versus 2020. Notably, free cash flow grew 11.7% year over year to \$16.93 million. Acadian Timber paid a total of \$19.35 million in dividends, which is the same amount in the previous year. The industrial stock trades at \$19.33 per share and pays a 6.06% dividend.

For 2022, management expects strong demand for repair and remodeling activities and new home construction. They should support North America's softwood and hardwood lumber consumption in the short to medium term.

Growth strategy in place

Superior Plus ([TSX:SPB](#)) distributes and markets propane and distillates and related products and services to customers in North America. At \$11.86 per share (-7.37% year to date), the utility stock appears undervalued vis-à-vis the nature of the business and [growth potential](#). Besides the good entry point, you can partake of the 6.09% dividend if you invest today.

The \$2.39 billion company targets \$1.9 billion in acquisitions (\$250 million annually) until 2026 through its Superior Way Forward strategy. Its new growth driver is Quarles Delivered Fuels Business. Superior Plus recently bought the established retail propane distributor in America.

High payouts

The business outlooks for Freehold Royalties, Acadian Timber, and Superior Plus aren't as cloudy as others. You can ride out the period of uncertainty with the high payouts.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ADN (Acadian Timber Corp.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:SPB (Superior Plus Corp.)

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