Buy These 2 Top Dividend Stocks With Yields Above 5%

Description

The Canadian equity market has remained surprisingly firm, despite the global uncertainties caused by the Russia-Ukraine war. The **S&P/TSX Composite Index** is up by 1.95% year to date at writing. However, the inflationary environment in Canada is getting worse. Statistics Canada reported that Canada's inflation stood at a 31-year high of 6.7% in March 2022.

The Bank of Canada (BoC) started increasing interest rates earlier in April to combat the rising inflation. However, the 0.5% increase was only the start of what is to come. Economists expect BoC to enact several interest rate hikes throughout the year if it wants to make a dent in rising inflation rates.

Higher interest rates could take a while to cool down Canada's red-hot inflation. Unfortunately, interest rate hikes are a double-edged sword, because they can increase borrowing costs and slow down economic growth. Stock market volatility can continue for several quarters.

Dividend investing is an excellent strategy to strengthen your investment portfolio during volatile market conditions. Today, I will discuss two safe and high-yielding dividend stocks that you could consider adding to your portfolio for dividends higher than 5%.

BCE

BCE (TSX:BCE)(NYSE:BCE) is a $67.13 billion market capitalization giant in the Canadian telecom industry and one of the top dividend stocks. The company provides an essential service, operating Canada's largest telecom business. It dominates a telecom sector regarded as one of the best globally, making it an ideal investment for people looking for reliable stocks.

BCE is constantly investing capital in improving its services and expanding its offerings. The advent of 5G technology has opened up more opportunities for telecom giants, and BCE has already established itself as a major player in the Canadian 5G space. BCE stock trades for $73.13 per share at writing, and it boasts a juicy 5.03% dividend yield.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a $3.27 billion market capitalization real estate investment trust (REIT) headquartered in Toronto. The company owns a highly defensive portfolio of healthcare properties that generate substantial cash flows. Its tenants have government support and are on long-term contracts that provide predictable revenues for the company.

The company has been using its cash flows to fund acquisitions and comfortably pay its investors monthly dividend payouts. The company's project pipeline is strong and well positioned to deliver more growth in the coming years. NorthWest Healthcare Properties REIT trades for $13.79 per share at writing, and it boasts a juicy 5.80% dividend yield that you can lock into your portfolio today.

Foolish takeaway

Dividend investing with the right income-generating assets can provide you with a considerable degree of protection from the impact of market volatility. It does not mean that reliable dividend stocks are immune to weakness in the broader market. However, you can rely on the shareholder dividends from these stocks to mitigate some of the short-term losses caused by uncertainty until the dust settles.

Choosing high-quality, dividend-paying stocks capable of delivering shareholder dividends during harsh economic environments is crucial to enjoying the safety of dividend investing. BCE stock and NorthWest Healthcare REIT are two assets that could be ideal for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BCE (BCE Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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