2 TSX Dividend Stocks With Yields of at Least 6%

Description

The past four months have been highly volatile. Record-high inflation, rising interest rates, ongoing supply shortages, and geopolitical conflict led to a significant correction in several TSX-listed stocks.

Amid the current volatile environment, it's prudent to shift to stocks that offer high and well-protected yields to beat inflation. Further, investors should target stable companies with solid track records of consistently paying and increasing their dividends. Against this backdrop, here are my top two picks with yields of more than a 6%.

NorthWest Healthcare Properties REIT

REITs offer attractive dividends, making them dependable bets for investors seeking regular income. I am bullish on **NorthWest Healthcare** (TSX:NWH.UN) within REITs due to its defensive portfolio of healthcare assets underpinned by government funding.

Furthermore, its long-weighted average lease expiry (approximately 15 years), geographically diversified portfolio, and inflation-indexed and annual contractual rent growth provide a solid base for dividend payments. Further, its high occupancy rate (about 97%) and robust acquisition and development profile support its payouts.

Its core defensive portfolio, expansion into the U.S., an increasing number of income-generating properties, focus on accretive acquisitions, and high yield of 6.2% make it a solid investment at current levels.

Enbridge

Shares of the energy infrastructure company **Enbridge** (TSX:ENB)(NYSE:ENB) are among the top investments to earn steady and high yields amid all market conditions. For context, Enbridge has paid a dividend for about 67 years. Further, it has enhanced its shareholders' returns by consistently increasing it for about 27 years. It's worth noting that its dividend has grown at an annualized rate of

10% during the same period.

Enbridge's solid track record of dividend payment and growth is supported by its diverse cash flow streams (it has about 40 diverse cash flows streams). Further, contractual arrangements, utility-like cash flows, and high utilization rates augur well for growth. It has grown its adjusted EBITDA at a CAGR of 14% since 2008. Moreover, nearly 80% of its EBITDA has inflation protection, which helped it deliver a solid total shareholders return consistently.

Looking ahead, Enbridge's multi-billion secured capital program, recovery in its mainline throughput, revenue inflators and productivity savings, strategic acquisition, and share buybacks position it well to deliver solid distributable cash flow (DCF) per share.

Enbridge expects its DCF/share to grow at a CAGR of 5-7% through 2024, which is indicative of the future dividend-growth rate. Overall, Enbridge's solid asset base, growing energy demand, acceleration in renewable capacity, and resilient cash flows support my bullish view. Enbridge offers a high dividend yield of 6.1%, while its payout ratio of 60-70% of its DCF is sustainable in the long term and is well protected.

Bottom line

These two Canadian companies have regularly enhanced their shareholders' returns through dividend payments. Further, their resilient cash flows, inflation protection, and multiple catalysts to growth support my outlook. An investment of $20,000 in each of these companies would help generate a reliable passive income of over $200/month.

CATEGORY

1. Dividend Stocks
2. Investing

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

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