



## Buy These 3 Large-Cap Stocks for 5% Yields

### Description

There are relatively few large-cap companies with a market capitalization of \$10 billion or more in Canada. Yet this select bunch makes up the most significant chunk of the overall TSX weight.

And even though there is little correlation between dividend yield and market cap, a large market cap tends to put investors at ease. It's usually an indication of mature businesses with stable financials. And stable financials typically mean stable dividends.

So, if you are looking for large-cap dividend stocks that offer a decently high dividend yield, there are three mature businesses you should look into.

### An energy company

While **Enbridge** is usually the top choice when it comes to dividends from the energy sector, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is just as compelling a choice. With a market capitalization of \$27 billion, it's quite a sizeable large-cap stock. As a major energy "mover" in Western Canada, Pembina benefits from the safety characteristic to pipeline stocks.

It's currently offering a juicy 5.1% yield, and even though it's a Dividend Aristocrat, it hasn't raised its payouts since 2020 (though it may change later this year). One more point in Pembina's favour is its capital-appreciation potential, which is quite decent compared to other giants in the energy sector.

Its price has appreciated 63% in the last decade, which may not seem much compared to typical growth stocks, but it's enough to keep your capital growing way above the inflation line.

### An insurance company

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) has a market capitalization of \$48.9 billion, and it's currently offering a juicy 5.2% yield, despite the stock trading just 8.4% below its pre-pandemic peak, so it's not just a discounted-driven high yield.

And if you can buy the company at a dip, you may be able to lock in a much higher yield *and* benefit from some recovery-fueled [capital-appreciation potential](#), which isn't the company's forte in general.

Another significance of the market capitalization (size) of this insurance giant is that it's currently the sixth-largest life insurance company in the world.

It has an enormous local and international presence and a diversified business model. Its dividends are backed by a very healthy payout ratio (33%), and it's continuing with its dividend-growth streak and sustaining its aristocratic title.

## A telecom company

The largest [telecom company](#) in Canada by market cap, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), is currently offering the most significant yield as well (in the telecom sector). The 5.3% yield is quite decent, especially considering that the stock is currently trading near its all-time high valuation.

The capital-appreciation potential is comparable to Pembina, as the stock has risen about 72% in the last decade.

It's much better than mere capital preservation, especially if you consider the dividend-based return potential and BCE's status as a Dividend Aristocrat, which ensures that the payouts will most likely go up, not down, in the coming years.

The dividend hikes that BCE offers are high enough to counter inflation, which is a very desirable trait in a dividend stock used for passive-income generation.

## Foolish takeaway

The three [dividend stocks](#) are among the leaders in their industries, and two of them (BCE and Manulife) are the giants in their respective domains. This endorses their stability and the sustainability of their dividends much more than the market cap itself. The fact that all three are Dividend Aristocrats is just the cherry on top.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. NYSE:PBA (Pembina Pipeline Corporation)

4. TSX:BCE (BCE Inc.)
5. TSX:MFC (Manulife Financial Corporation)
6. TSX:PPL (Pembina Pipeline Corporation)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## **PP NOTIFY USER**

1. adamothonman
2. kduncombe

## **Category**

1. Dividend Stocks
2. Investing

## **Date**

2025/08/25

## **Date Created**

2022/05/04

## **Author**

adamothonman

default watermark

default watermark