



3 Dividend Stocks Yielding Above 4% Offering Stable Income

Description

A recent correction in the market has sent share prices plummeting for companies across the [TSX](#). For many dividend stocks, though, a drop in stock price has created a temporary spike in yield. As the market recovers, we'll see those yields gradually climb back down. But for the time being, now would be an excellent time to think about investing in dividend stocks.

Building a dependable stream of passive income

In addition to a high yield, passive-income investors will want to look at the business's long-term growth potential as well as the dependability of the dividend payout. Fortunately, for Canadian investors, the TSX is full of dividend stocks with payout streaks spanning decades and longer.

I've put together a list of three dependable dividend stocks that are all yielding above 4% right now.

I'll admit that the three companies are far from exciting businesses. When it comes to investing, though, there's absolutely nothing wrong with boring.

Dividend stock #1: Bank of Montreal

The major [Canadian banks](#) have been staple holdings for Canadian passive-income investors for years. The Big Five all pay top yields today, as well as own some of the longest payout streaks on the TSX. In addition to that, they are all very reasonably priced right now, especially after the market's recent correction.

Few companies can compete with **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) when it comes to its dividend. The \$85 billion bank has been paying a dividend to its shareholders for close to 200 consecutive years. And at today's stock price, the bank's annual dividend of \$5.56 per share yields close to 4.5%.

Dividend stock #2: Sun Life

Sticking with the financial industry, **Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) is another dividend stock that passive-income investors cannot go wrong with.

The \$35 billion insurance company is no match for BMO's 200-year payout streak. It is, however, yielding close to 5% at today's stock price.

As I mentioned early, there's nothing exciting about this basket of stocks. On the plus side, the insurance industry is as dependable as they come. A major reason is that I don't anticipate the demand for insurance to begin declining any time soon. It's an industry that I'm betting will be around for many more years.

Dividend stock #3: Algonquin Power

The last dividend stock on my list is another unexciting but high-yielding company.

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) is a Canadian leader in the utility space. The company also boasts an international presence with operations spread across the globe.

A 15% drop from all-time highs now has the utility stock's dividend yielding above 5.5%. You won't find many other dividend stocks on the TSX yielding that high right now.

In addition to a top yield, Algonquin Power also provides its shareholders with market-beating growth potential. One of the reasons why the company has been able to outperform the Canadian market's returns in recent years is due to Algonquin Power's growth in the renewable energy sector.

And with demand for renewable energy only expected to grow in the coming years, I wouldn't bet on Algonquin Power lagging the Canadian market's return anytime soon.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:SLF (Sun Life Financial Inc.)

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