3 Canadian Stocks With Over 6% of Dividend Yield

Description

Amid the rising inflation, the Federal Reserve of the United States has raised interest rates multiple times this year. With these initiatives failing to stem the price rise, analysts expect the Federal Reserve to increase interest rates further in the coming months. Meanwhile, investors fear that higher interest rates could hurt economic growth globally. So, given the challenging environment, I expect equity markets to remain volatile in the near term.

So, in this uncertain outlook, I believe investors can bet on the following three dividend stocks to boost their passive income.

Keyera

Although oil prices have cooled down from May highs, West Texas Intermediate (WTI) crude is still trading at over $110/barrel. Higher oil prices could drive exploration and production activities, thus driving the asset utilization rate of **Keyera** (TSX:KEY). The company is continuing with its KAPS pipeline project and expects it to complete by early 2023. Also, it has a strong pipeline of projects, which can grow its adjusted EBITDA by 6-7% annually through 2025.

Given the favourable environment, its growth initiatives, and reliable cash flows, I believe Keyera's dividend is safe. With a monthly dividend of $0.16/share, its forward yield stands at 6.44%. Despite its high dividend yield and growth prospects, Keyera trades at an attractive NTM price-to-earnings multiple of 7.4. So, I believe Keyera would be an excellent buy for income-seeking investors.

Enbridge

With a dividend yield of 6.33%, **Enbridge** (TSX:ENB)(NYSE:ENB) is my second pick. It has paid a dividend uninterrupted for the last 67 years while raising it at a CAGR of over 10% for the previous 27 years. The company generates around 98% of its adjusted EBITDA from regulated assets or long-term contracts, thus providing stability to its cash flows. 80% of its EBITDA is inflation-indexed, which is encouraging.

Enbridge is continuing with its $10 billion secured growth program, expecting to deliver $4 billion of projects this year. It is also expanding its presence in the renewable energy space, with 4.5 gigawatts of projects in either construction or development stages. The company could also benefit from rising energy demand, which could boost its throughput and financials. Despite its healthy growth prospects, Enbridge trades at an attractive NTM price-to-earnings multiple of 17.7, making it an attractive buy.

NorthWest Healthcare Properties REIT

My final pick is **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which pays a monthly dividend of $0.0667/share while its forward yield currently stands at a juicy 6.55%. The company operates over 229 healthcare properties with over 2,000 tenants. The company has signed long-term agreements with its tenants, with a weighted average lease expiry of 15 years. Over 80% of its tenants have the government's backing. These factors have allowed the company to enjoy higher occupancy and collection rates.

Further, NorthWest Healthcare has expanded its presence in the United States, a highly lucrative market, with the acquisition of 27 properties for $765 million. The company is looking at strengthening its position in the United Kingdom through joint ventures. It also has committed around $304 million to develop low-risk projects in Australia, Europe, Brazil, and Canada. Given its growth prospects and reliable cash flows, I believe NorthWest Healthcare's dividend is safe.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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