



2 Top Canadian Dividend Stocks to Buy While They Offer Yields of 6% or More

Description

Market corrections are great opportunities, because they let you buy Canadian stocks at major discounts. But when it comes to Canadian dividend stocks, you also get the chance to buy these stocks when they offer a higher yield.

As the price of a stock drops, as long as the dividend payments don't change, the [yield](#) naturally increases. Therefore, after the recent market turmoil, there are plenty of high-quality Canadian dividend stocks that now offer yields much higher than they were just a few months ago.

And of all the Canadian dividend stocks on the **TSX**, here are two to buy now, offering attractive yields of more than 6%.

One of the best Canadian dividend-growth stocks you can buy

Often blue-chip stocks can be some of the best and safest dividend stocks to buy due to their sheer size and importance to our economy.

And there's no question that of all the Canadian dividend stocks you can buy, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), the \$110 billion [energy](#) giant, is one of the best to consider.

First off, Enbridge is massive, and its business is well diversified both by asset type and by region, as its operations span North America. Plus, even more importantly, its operations are essential, which is why it's one of the most reliable companies you can buy.

And because energy infrastructure is an industry that generates tons of cash flow, it's no surprise that for over a quarter-century, Enbridge has consistently increased the dividend each year.

In the last five years alone, investors have seen their passive income from Enbridge grow by over 40%. And this year, it's expecting to earn distributable cash flow per share of between \$5.20 and \$5.50.

However, with Enbridge currently only paying out \$3.34 per share annually, it has a payout ratio of

roughly 64% (from the midpoint of its guidance) and shows that its dividend is ultra-safe.

Just a few months ago, when Enbridge was trading closer to \$60, it offered a yield of 5.7%. After falling by roughly 10% to roughly \$54.50 a share, the stock now offers a yield of approximately 6.3%.

Therefore, while you can buy one of the best Canadian dividend stocks at a discount and offering a yield above 6%, it's undoubtedly one of the best investments to consider today.

A high-quality Canadian stock that just increased its dividend

In addition to Enbridge, **Pizza Pizza Royalty** ([TSX:PZA](#)) is another one of the top Canadian dividend stocks to buy now after it recently pulled back from its highs.

Pizza Pizza is one of the very best stocks investors can own for passive income. It's made for dividend investors, targeting a 100% payout ratio. Plus, it returns cash back to investors monthly.

However, over the last couple of months, Pizza Pizza's stock has pulled back, as concerns about inflation and its impacts, as well as the potential for a recession, continue to increase.

Both inflation and a recession could certainly impact Pizza Pizza's operations and the restaurant industry in general. However, when restaurants face stiffer headwinds, Pizza Pizza is almost always less impacted than its peers.

Furthermore, while concern from investors is growing, just two weeks ago, Pizza Pizza actually increased its dividend payments, a sign that management has confidence in its ability to perform through the short term.

So, not only has the stock fallen by nearly 15% in the last couple of months, but after the dividend was just increased, the yield that Pizza Pizza offers is even more attractive today.

Back in mid-April, the stock would have offered a yield of around 5.4%. Today, you can buy one of the best Canadian dividend stocks and lock in a yield of 6.5%.

Therefore, if you're looking to increase your passive income and find high-quality stocks to add to your portfolio, Pizza Pizza is certainly one to keep an eye on.

CATEGORY

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2. Investing

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2. TSX:ENB (Enbridge Inc.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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