3 TSX Stocks With High Dividend Yields

Description

Stock markets have struggled in the first half of 2022 and are expected to continue to remain volatile over the next 12 months. Growth stocks are no longer in demand after dropping like flies on a hot day. Investors are hunting for safe stocks in a world that is one moment away from panic. Below are three fundamentally strong stocks that offer the safety of regular dividends in a volatile market.

IGM Financial

IGM Financial (TSX:IGM) is one of the largest wealth and asset management firms in the country with around $268.3 billion in assets under management at the end of May 2022. It is also one of the best dividend payers on the TSX with a forward yield of 6.4%.

The company's net earnings have been steadily moving higher from $776.17 million in 2018 to $979 million in 2021. It reported record earnings per share (EPS) of $4.05 for 2021, up from $3.21 in 2020. Its EPS in Q1 stood at $0.91, which is a record first-quarter high for the company.

IGM stock has lost almost 24% in 2022 after gaining over 32% in 2021. The stock is currently trading at $35.37 and the average target price for the stock is $46.43, which indicates a potential upside of over 31%.

Dream Industrial REIT

Dream Industrial REIT (TSX:DIR.UN) is one of the most uncomplicated stocks to invest in if you want to earn regular dividends. This real estate investment trust holds industrial properties in key regions around Canada and the U.S. Industrial properties require minimal maintenance, which helps keep costs down.

Last quarter, Dream Industrial REIT saw a net rental income of $65.3 million, up 40% from the corresponding quarter in 2021. As e-commerce continues to grow in North America, Dream REIT's properties will continue to be in demand.

The stock has a solid dividend yield of 5.86%. It closed trading at $12.06 and the average target price for the stock is $18.11, which is a potential upside of over 50%. Few analysts expect the stock to even double in the next year.

Keyera

Keyera (TSX:KEY)) is one of the largest midstream players in Canada, operating over 4,000 km of pipelines. The company has major projects in progress that can boost its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) by 6-7% every year until 2025.

In June, the stock fell by around 14% as part of a broader market correction and lower energy prices. The stock is trading at $29.98, and the average price target for the stock is $36.37, which is a potential upside of over 21%.

When you factor in the 6.4% dividend yield, you could be sitting on decent gains by the end of 2022. However, you have to keep in mind that Keyera has a high beta of 2.32, which could mean a lot of volatility for shareholders.

An investment of $5,000 in each of these stocks will help you generate $934 in annual dividends, allowing investors to generate a predictable income stream amid the ongoing volatility.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:IGM (IGM Financial Inc.)
3. TSX:KEY (Keyera Corp.)

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