



2 Dependable High-Yield Dividend Stocks to Buy Now!

Description

Often, when dividend investors look for new investments, they start with the dividend [yield](#) to see how much passive income they can earn. Of course, the higher the yield, the more the dividend stock looks like an attractive buy at first glance.

However, in some situations, a high yield can be a red flag and a sign that the stock is at risk. High yields can be a result of a stock selling off due to the fear and uncertainty about its future potential. In other situations, a stock can offer a high yield because it's returning the majority of its capital to investors or offers little growth potential.

However, in this environment, because so many stocks have sold off and, in many cases, significantly, there are plenty of dependable and high-quality stocks that now offer exceptional yields and are worth buying.

If you're a dividend investor looking to take advantage of this environment, here are two of the best to consider.

One of the best and most dependable dividend stocks you can buy

One of the best dividend stocks in Canada, and one that's offering an exceptional yield above 6.4% today, is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Enbridge is one of the best dividend stocks to buy for a number of reasons. First off, its operations are defensive and hardly impacted by the economic environment. In addition, its operations also generate tons of cash flow, which is crucial, especially for a high-yield dividend stock like Enbridge.

In fact, for 2022, according to Enbridge's guidance, it's expecting to earn distributable cash flow per share of between \$5.20 and \$5.50. So, even if Enbridge only hits the bottom of that range, with the stock's current dividend paying out just \$3.44, it has a conservative payout ratio of just 66%.

Therefore, not only is the dividend safe, but Enbridge is also retaining cash, which it can use to invest in future growth.

Plus, if that's not enough to convince you of Enbridge's resiliency, it's also consistently increased its dividend each year for more than a quarter-century. That means the stock has had to weather several different recessions and commodity cycles and has still been able to not only maintain its dividend but consistently increase it.

So, if you're looking for the best high-yield dividend stocks to buy now, while the entire market is on sale, Enbridge is certainly a top candidate.

A high-yield REIT trading at an attractive discount

In addition to Enbridge, another high-quality stock to consider now is **Nexus Industrial REIT** ([TSX:NXR.UN](#)).

Nexus may be a lesser-known REIT, but it's one of the best stocks that dividend investors can buy, especially if you're looking for a high yield.

The REIT owns over 100 properties, roughly 70% of which are industrial properties and offer exceptional long-term growth potential, as industrial properties, such as warehouses, continue to see strong demand. These assets are diversified all across Canada, making Nexus even more dependable.

Plus, in addition to an attractive distribution that offers a yield of 6.8%, Nexus is also trading roughly 33% off its high, which is considerably undervalued. Not only that, but it's also trading at just 0.7 times its estimated net asset value.

Therefore, if you're looking for high-yield dividend stocks to buy now, Nexus is one you'll certainly want to check out.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NXR.UN (Nexus Real Estate Investment Trust)

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. danieldacosta
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/20

Date Created

2022/07/14

Author

danieldacosta

default watermark

default watermark