My 3 Favourite TSX Dividend Stocks Right Now

Description

Not many stocks were safe this year, as the markets sold off in response to high inflation and rising interest rates. However, investors who held large-cap, blue-chip stocks generally saw their portfolios tumble less. Even with the unrealized losses in share price, the dividend payments from these stocks made up for the loss and could be reinvested at a low price to "buy the dip."

The TSX is full of fantastic dividend stocks, many of which have paid and increased dividends consecutively for years, if not decades on end. Today, I'll be profiling three fantastic, high-yield TSX dividend stocks: two from the energy sector and one from the financial sector.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) currently boasts an incredible 6.07% forward annual dividend yield based on its current price (at time of writing) of $55.35 per share. Since 2017, Enbridge has increased its annual dividend by 10% on average with a five-year average dividend yield of 6.34%, which is simply incredible.

The high yield isn't because the share price fell either. Enbridge is actually up 11.73% year to date compared to the 7.59% loss suffered by the S&P/TSX 60 thanks to inflation. Soaring oil prices has benefited Enbridge so far, allowing it to improve its margins, balance sheet, and cash flow.

Suncor

Suncor Energy (TSX:SU)(NYSE:SU) has even outperformed Enbridge. Year to date, Suncor is currently up 18.22%. The company recently released second-quarter (Q2) earnings, reporting earnings growth of 400% compared to last year, with net earnings of $3.99 billion versus $868 million.

Even with the elevated share price, Suncor still pays an amazing forward annual dividend yield of 4.80%, with a five-year average dividend yield of 3.92%. This is all the more excellent when you consider that Suncor's payout ratio is just 29.37%, which indicates a stable and sustainable dividend.

BCE

BCE (TSX:BCE)(NYSE:BCE) is one of Canada's "Big Three" telecommunications companies, providing wireless, wireline, internet, streaming, digital media, broadcasting, and television services to residential and business customers across Canada via three segments: Bell Wireless, Bell Wireline, and Bell Media.

Currently, BCE has a high forward annual dividend yield of 5.75%. BCE has sustained this dividend historically, with a five-year average dividend yield of 5.38%. The stock goes ex-dividend on September 14, so buy before then if you want to snag the next quarterly payment.

The Foolish takeaway

Buying these three stocks and reinvesting the dividends can snowball quickly over time, leading to a high total return. However, as with all investments, diversification is key. Concentrating a dividend portfolio in these three companies could expose you to the risk of one or more underperforming or going bankrupt. There is no guarantee that the Canadian energy or telecom sectors will outperform in the future. Consider seeking out additional dividend stocks from other TSX sectors.

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2. Investing

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3. NYSE:SU (Suncor Energy Inc.)
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