Passive Income Seekers: 2 Attractively Priced Dividend Stocks to Buy Right Now

Description

Canada's inflation seems to be cooling down. It reached a 40-year high of 8.1% in May 2022, but the Bank of Canada's (BoC) series of interest rate hikes have cooled it down to 7.6%. While inflation has gone down, there is still a long way to go before reaching the target of 2%.

Higher energy and food prices are putting a strain on everybody, and it is clear that you must have more than one income stream to cater to your monthly expenses. Investing in high-yielding dividend stocks can be an excellent strategy to boost your active income and earn more money to cover your expenses.

However, you cannot choose any high-yielding dividend stock. It is important to conduct your due diligence and earmark income-generating assets with a reputation for regularly paying shareholder dividends.

Well-capitalized businesses with steady cash flows are likelier to continue distributing shareholder dividends. Today, I will discuss two dividend stocks you can consider adding to your portfolio to boost your passive income.

Enbridge

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is a $109.8 billion market capitalization multinational pipeline company headquartered in Calgary. The company boasts one of the most extensive energy pipeline networks in North America and is responsible for transporting a major portion of all hydrocarbons consumed in the region.

Enbridge owns and operates a regulated natural gas utility business and Canada's largest natural gas distribution company. It also has growing renewable energy operations that can set it up for a strong future.

As of this writing, Enbridge stock trades for $53.89 per share and boasts a juicy 6.38% dividend yield. The ongoing geopolitical tensions created by the Russia-Ukraine war can lead to higher crude oil prices. If oil prices rise, Enbridge will see its profit margins soar, possibly translating to better performance on the stock market.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a $2.9 billion market capitalization real estate investment trust (REIT) that provides investors with access to a portfolio of high-quality and diversified healthcare real estate assets.

The company generates rental income through its portfolio of real estate assets across several countries worldwide. Most of its tenants have government-backed cash flows due to universal healthcare, allowing it to generate substantial and secure revenue.

Around 80% of NorthWest Healthcare REIT's rent is inflation-indexed, and its weighted average lease expiry is 14.1 years. With these contracted revenues, the company is well-positioned to deliver its monthly shareholder distributions for years.

As of this writing, NorthWest Healthcare Properties REIT trades for $12.31 per unit and boasts a juicy 6.5% dividend yield. Since it is a REIT, it pays its shareholder dividends each month, making it an even more attractive asset to consider adding to your portfolio.

Foolish takeaway

These two dividend stocks boast yields higher than 6%. More importantly, both underlying businesses have solid fundamentals driving their growth. Buying and holding their shares can allow you to earn a significant amount in passive income through shareholder dividends.

If you have contribution room available in your Tax-Free Savings Account (TFSA), you can allocate a portion of it to high-yielding dividend stocks.

TFSA investing with high-quality dividend stocks lets you use the account as a tax-free passive income stream. You can then use the dividend income to supplement your active income when you need help with monthly expenses.

If you don't need the extra income, you can reinvest the shareholder dividends to unlock the power of compounding and accelerate your wealth growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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adamothman