4 High-Yield Dividends to Buy Today

Description

High-yielding dividend stocks can be appealing for their immediate outsized cash return. However, investors need to be cautious.

Generally, there is a justified reason why a stock is yielding over 8-9%. The market is having to price a higher level of financial risk. Often, such a high yield is an indication that the current dividend is at risk. As a result, investors need to be cautious.

However, if you are looking for big dividends at lower risk, here are four Canadian stocks to consider today.

A top energy stock

Tourmaline Oil (TSX:TOU) stock may not be obvious for dividends. At $70.50 today, it only trades with a 1.4% base dividend. Not too impressive, right?

Yet that masks the fact that Tourmaline has paid $7 per share in special dividends in 2022. Combine that with its base dividend, and you get a 12% dividend yield for 2022!

Certainly, special dividends are not guaranteed. However, given Tourmaline's debt-free balance sheet and strong free cash flow growth, they are likely in 2023.

This is one of the best managed and most profitable energy companies in Canada. If energy markets remain strong in 2023, it could certainly deliver some more big dividends to shareholders.

An energy infrastructure stock for dividends

At $45 per share, **Pembina Pipeline** (TSX:PPL) stock trades with a 5.83% yield. If you like energy stocks, but don't want too much commodity exposure, this is the stock for you.

Pembina operates a network of pipelines, midstream/gas processing facilities, and export terminals.

Around 85% of its revenues come from contracted assets. This provides a baseline of earnings that cover its dividend.

When energy prices are strong, it also earns a surplus from marketing processed energy products. That is why the company has had a near record year in 2022.

Even when oil collapsed in 2020, Pembina faithfully paid its dividend. If you want a well-covered dividend that is likely to grow in the coming years, this is a good stock to hold.

A top real estate stock

Dream Industrial Real Estate Investment Trust (TSX:DIR.UN) pays a handsome 5.86% dividend yield at $11.50 per unit. It also pays out its dividends monthly, which can be nice bonus for those that like regular passive income.

Dream operates one of Canada's largest industrial property portfolios. Industrial real estate has been booming over the past few years. As a result, Dream has been delivering very strong, high single-digit cash flow per unit growth.

It just created a joint venture to manage a large Canadian industrial portfolio, so that should provide a nice boost to earnings in 2023. Given that its dividend is well covered by monthly cash flows, it is even possible that its dividend may increase in the future.

A Canadian telecom for dividend growth

Another stock for safe dividend income is **TELUS** (TSX:T). At $26.80 per share, it yields over 5.2% today. Given how crucial internet and cellular coverage are, TELUS operates a very defensive business.

It is nearing the end of a big capital-spending cycle. After, it expects to generate a lot of spare cash, which it plans to distribute back to shareholders in the form of some nice 7-10% dividend hikes.

TELUS is interesting because it is also building out several large digital businesses in IT/customer experience, healthcare, and agriculture. These businesses are growing at attractive rates and could be substantial contributors to earnings in the coming years. For a combination of safety, income, and even growth, TELUS is a great dividend stock to buy for the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:T (TELUS)
4. TSX:TOU (Tourmaline Oil Corp.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Dividend Stocks
2. Investing

Date
2025/08/12
Date Created
2022/12/21
Author
robbybrown