Buy These 2 TSX Stocks to Start Earning High-Yielding Dividend Income Today

Description

Yield is typically the first thing investors see when buying a dividend stock, and it's easy to see why. But it shouldn't be the only factor you consider when making an investment choice. Sometimes, the fall that triggers a high yield may not be a temporary thing. What's more, if it's caused by fundamental weaknesses in the underlying business (especially the financials), you may consider looking into other options.

With that in mind, there are two dividend stocks that are offering decently high yields and reasonably safe which you should consider looking into.

An energy stock

Keyera (TSX:KEY) is a midstream giant. Even though it's not on par with the pipeline giant **Enbridge**, it has significant storage and transportation assets. It also has a dozen gas processing facilities, refining natural gas to consumer grade. Marketing is another significant business segment for Keyera, which further diversifies its operations.

This business model doesn't protect Keyera from all the different types of headwinds that rock the energy business in Canada now and then, something that's evident from the stock's steady decline after 2014. But Keyera is also one of the few energy stocks that started recovering well before the 2020 bullish phase.

It also didn't go up rapidly like its peers in the industry, and the valuation is still hovering near the fair level. This makes Keyera a bit more stable and a relatively reliable bet if a correction is in the cards for the energy sector. The 6.5% yield it's offering right now can help you generate a monthly income of about $136 if you invest $25,000 in the company.

A REIT

Even though the healthcare sector itself is not rich in dividend options, a related business, i.e., **NorthWest Healthcare Properties REIT**

(TSX:NWH.UN), is definitely worth considering. Not only does it give you access to a diverse range of healthcare properties with stable clients like hospitals and medical office buildings, but it also gives you decent international reach.

The portfolio of 231 properties is spread out over eight countries, with 97% occupancy and a weighted lease expiry average (WALE) of 14 years. This ensures a steady income for the next decade at least and, with it, the sustainability of its investors' dividends. The safe payout ratio (69%) also gives the stock more leeway regarding dividend safety.

The stock is currently both heavily discounted and undervalued, with a p/e ratio of just 7.8. The 32% discount has pushed the yield up to a desirable level, – 8.3%. So if you invest $25,000 in the stock, you can generate a monthly income of about $172.

Foolish takeaway

The two dividend stocks can help you generate a decent-sized passive income to augment your primary income. It won't weigh down your tax bill if you are generating this income from the TFSA. Since both companies have sustained their payouts during the pandemic, the dividends seem adequately resilient. And in the case of Keyera, you may even benefit from a future dividend increase.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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