3 TSX Dividend Stocks Paying Big Income in a Bearish Market

Description

After an extremely volatile year in 2022, investors should brace for another difficult period in 2023. As central banks are looking to curb inflation by rising interest rates, there is a chance for several economies to enter a period of recession. So, it's quite possible for equity markets to move lower in the first half of 2023.

It might be difficult to invest your hard-earned savings in equities, especially when the stock market is wrestling with bearish sentiments. But experts believe that generational wealth is created in bear markets, and it's impossible to time the bottom.

Additionally, the selloff has also driven the dividend yields of several TSX stocks higher, making them attractive to income-seeking and value investors. Investing in quality, high-dividend-paying stocks can help investors benefit from a steady stream of recurring income as well as long-term capital gains.

Here are three such dividend stocks on the TSX that pay investors a big income right now.

Fiera Capital

One of Canada's largest asset management companies, **Fiera Capital** (TSX:FSZ) offers investors a dividend yield of 9.9%. With $158.2 billion in assets under management, Fiera Capital provides multi-asset solutions to institutional, financial, and private wealth clients globally.

Around $73 billion of AUM is placed in equities, which indicates the performance of Fiera Capital is closely tied to the performance of the global stock market. So, if equities recover in the last six months of 2023, shares of Fiera Capital should also move higher.

Valued at 7.4 times 2022 earnings, Fiera Capital is extremely cheap. Analysts remain bullish on FSZ stock and expect shares to gain over 12% in the next year.

Algonquin Power & Utilities

Among the worst-performing TSX stocks in 2022, **Algonquin Power & Utilities** (TSX:AQN) is down almost 50% in the last 12 months. But the utility giant now offers investors a tasty yield of 11%.

Utility companies carry a ton of debt on their balance sheets to finance expansion plans and increase their base of cash-generating assets over time. So, a period of rising interest rates acted as a headwind for AQN and other utility peers in 2022.

Moreover, the company's Q3 earnings outlined several challenges that included rising production costs and supply chain constraints, resulting in project delays. AQN also posted huge losses and lowered its outlook for 2022.

However, Algonquin continues to pursue acquisitions and is on track to close a $2.6 billion deal with **American Electric Power's** Kentucky utility and transmission business this year.

Northwest Healthcare

The final high-dividend stock on my list is **Northwest Healthcare** (TSX:NWH.UN) which offers investors a forward yield of 8.4%. A healthcare-focused real estate investment trust, Northwest Healthcare is part of a defensive sector, allowing it to maintain cash flows across market cycles.

With a presence on three continents and robust occupancy rates, Northwest has over $10.6 billion in total assets. It has more than 2,000 tenants, while its weighted average lease expiry is around 14 years.

The Foolish takeaway

While the dividend yields offered by each of these companies will allow shareholders to enjoy a period of recurring income, investors should understand that dividend payouts are not a guarantee. Several companies have revoked dividend payments in the past, especially during periods of economic recessions.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:FSZ (Fiera Capital Corporation)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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