



Boost Your Passive Income With These 3 High-Yielding Dividend Stocks

Description

Investing in high-yielding dividend stocks would be a good strategy for investors looking to earn a stable passive income. Also, dividend stocks stabilize your portfolio amid uncertain economic outlooks due to monetary tightening initiatives. Here are my three high-yielding dividend picks that you should look to invest in right now.

Enbridge

First on my list would be **Enbridge** ([TSX:ENB](#)), which has an excellent record of raising dividends for the last 28 years. It operates over 40 revenue-generating assets, with around 98% of its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) generated from long-term contracts or regulated assets. These solid cash flows have allowed the company to raise its dividends consistently, with its yield for the next four quarters currently standing at 6.34%.

Meanwhile, amid the ongoing geopolitical tensions, the export of LNG (liquefied natural gas) from North America is growing, thus increasing the asset utilization rate of Enbridge. Analysts expect LNG exports from North America to grow by 190% over the next 18 years. In this growing addressable market, the company is progressing with several projects across its liquid gas and renewable segments. For 2023, management expects its EBITDA to come in the range of \$15.9–\$16.5 billion, with a midpoint representing 6% growth from its 2022 guidance.

So, considering its solid track record, stable cash flows, and high yield, Enbridge would be an ideal buy for investors looking to earn a stable passive income.

NorthWest Healthcare Properties REIT

[REITs](#) (real estate investment trusts), which are popular among income-seeking investors, have taken a severe beating over the last few months amid rising interest rates. **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is a Canadian REIT that owns and operates 233 healthcare properties with 18.6 million square feet of gross leasable area. Taking a beating from higher interest

rates, the company has lost around 30% of its stock value compared to its 52-week high.

The steep correction has raised its dividend yield to a juicy 8% while dragging its price-to-book multiple down to 1. So, despite the near-term weakness, I am bullish on the stock, given its defensive healthcare properties, long-term agreements with tenants, and inflation-indexed lease agreements. Furthermore, the company has taken several initiatives to lower its leverage, thus reducing its interest expenses. Meanwhile, it is looking at expanding its footprint in high-growth markets, such as the United States, the United Kingdom, and Canada.

Algonquin Power & Utilities

Investors consider [utility stocks](#) to be safe, given their regulated assets and stable cash flows. However, utility stocks have been under pressure over the last few months as investors are worried that rising interest rates could increase their interest expenses, thus hurting their margins.

Algonquin Power & Utilities (TSX:AQN), a Canadian utility and renewable energy company, has lost around 50% of its stock value compared to its 52-week high. Along with the sector weakness, the lowering of 2022 EPS guidance and a weak EPS guidance for 2023 appear to have dragged the company's stock price down. Despite the near-term weakness, I am bullish on AQN due to its regulated utility business, attractive valuation, and healthy growth prospects.

Algonquin is focused on increasing its rate base to drive future growth. To that end, it is completing the acquisition of Kentucky Power Company and Kentucky Transmission Company. Additionally, it plans to lower its debt by selling around US\$1 billion of assets. Amid the challenging environment, AQN slashed its quarterly dividends from US\$0.1808/share to US\$0.1085/share. Despite the decline, its dividend yield for the next 12 months stands at a healthy 6.04%.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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