Level Up Your Passive Income With 3 High-Yielding Stocks

Description

Investing in high-paying dividend stocks would be one of the cheapest and most convenient ways to boost your passive income. However, rising interest rates and uncertain economic outlooks have severely dented the financials of certain companies. So, investors should be careful while choosing stocks. Meanwhile, here are my three top picks that pay dividends at healthy yields.

Enbridge

Enbridge (TSX:ENB) is a Canadian midstream company that transports around 30% of crude oil produced in North America and 20% of natural gas produced by the United States. Supported by its 40 diverse revenue-generating assets and long-term contracts, the company's cash flows are stable and predictable, thus allowing it to pay a dividend since 1954. Also, it has raised its dividend at an annualized rate of 10% for the last 28 years, while its forward yield stands at a juicy 6.53%.

Meanwhile, the demand for natural gas worldwide could grow at an annualized rate of 10% through 2040. Along with demand growth, the ongoing geopolitical tension could boost LNG (liquefied natural gas) export from North America. So, amid the rising demand, Enbridge is strengthening its asset base, with around $17 billion secured capital backlog.

The company's recent acquisition of Tri Global Energy, which has a backlog of three gigawatts of development projects, has strengthened its position in the growing renewable energy sector. So, given its stable underlying business and healthy growth prospects, I believe the company's payouts are safe. Besides, Enbridge trades at 18 times analysts' projected earnings for the next four quarters, making it an attractive buy for income-seeking investors.

BCE

Second on my list is **BCE** (TSX:BCE), which posted a mixed fourth-quarter performance last week. Its revenue of $6.44 billion beat analysts' expectations of $6.39 billion. However, its adjusted EPS (earnings per share) came in at $0.71, falling short of analysts' expectations of $0.72.

Year over year, the company's revenue grew by 3.7% amid solid performance from its wireless segment, which grew by 7.7%. Subscriber base growth and higher average revenue per user drove its wireless segment's revenue. Despite the top-line growth, the company's adjusted EPS declined by 6.6% amid higher interest expenses due to increased interest rates. Meanwhile, it generated $2.06 billion in cash flows from its operations.

Supported by its solid cash flows, BCE raised its dividend by 5.2% to $3.87/share, the 15th consecutive year of dividend hikes. Its forward yield also stands at a juicy 6.3%. The growing reliance on internet services and the company's expansion of broadband and 5G services could boost its financials in the coming years, thus allowing it to maintain its dividend growth.

Bank of Nova Scotia

My final pick is **Bank of Nova Scotia** (TSX:BNS), one of the five big Canadian banks. It has been paying a dividend since 1833. Despite facing many economic downturns, the company has rewarded its shareholders by paying dividends uninterruptedly. Meanwhile, its forward yield also looks attractive at 5.61%.

Supported by its diversified revenue stream and exposure to high-growth banking markets, Scotiabank has been delivering consistent performance historically. Its earnings have grown at a CAGR (compound annual growth rate) of 5% over the last 10 years. Meanwhile, the rising interest rates and improving operating efficiency could boost its growth. Amid the recent selloff, the company trades at an attractive next 12-month price-to-earnings multiple of 8.8, making it an attractive buy.

CATEGORY

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:ENB (Enbridge Inc.)

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