Seeking at Least a 5% Yield? 3 TSX Stocks to Buy in February 2023

Description

The equity market remains volatile amid the fear of an economic slowdown and persistently high inflation. However, investors can still earn steady and high yields through dividend-paying stocks. So, for investors seeking reliable regular income, here are three Canadian stocks to buy in February 2023 that offer at least a 5% yield. Let's begin.

Enbridge

With a stellar dividend yield of 6.53% (based on the closing price on February 3), **Enbridge** (TSX:ENB) could be a solid addition to your portfolio for reliable income. This large-cap Canadian company transports hydrocarbons and benefits from solid demand for its assets. Besides the high utilization rate, benefits from long-term contracts, creditworthy counterparties, and diversified cash flows support its payouts.

Thanks to its resilient cash flows, Enbridge has been paying a dividend for over 68 years. Furthermore, it has raised the same at a CAGR (compound annual growth rate) of 10% in the last 28 years. What stands out is that Enbridge has paid and raised its dividend, even amid the pandemic, which shows the strength of its business model. Notably, most energy companies announced dividend cuts during that period, as the pandemic wiped out demand.

While Enbridge's payouts are well covered, its investments in conventional and renewable energy assets, benefits from new assets placed into service, multi-billion-dollar secured capital plan, and revenue escalators indicate that Enbridge could continue to enhance its shareholders' returns through increased dividend payments in the coming years. Moreover, its target dividend-payout ratio of 60-70% of distributable cash flows is sustainable.

NorthWest Healthcare Properties REIT

Investors could also consider investing in **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). Its high yield, monthly payouts, and defensive portfolio of healthcare-focused real estate assets make it an attractive investment for steady income.

NorthWest benefits from a high-quality tenant base. Notably, most of its tenants are supported by the government. Further, its portfolio is geographically diversified and its occupancy remains high at 97%. Also, NorthWest gains from the long lease expiry term (average 14 years), which adds visibility over future payouts. Meanwhile, the majority of its rents have protection against inflation, which supports organic growth.

NorthWest Healthcare's defensive real estate portfolio, solid tenant base, and high occupancy rate bode well for growth. Moreover, it offers an attractive yield of 8% (based on its closing price of $10 on February 3).

Scotiabank

Next up are the shares of **Scotiabank** (TSX:BNS). It's worth highlighting that the large Canadian bank stocks are well known for their stellar dividend payment history. However, what attracts the most about Scotiabank is its high yield compared to its peers.

It has been paying dividend since 1833. Furthermore, Scotiabank's dividend has grown at a CAGR of 6% from 2011 to 2022. Based on the closing price of February 3, Scotiabank offers a high dividend yield of about 5.61%.

Scotiabank's diversified revenue base and exposure to high-growth banking markets provide a solid foundation for growth. Moreover, higher interest rates and operating efficiency augur well for earnings growth. Notably, its earnings have grown at a CAGR of 5% over the past decade and supported its payouts. Furthermore, its strong balance sheet and solid credit quality will likely drive its future dividend payments.

CATEGORY

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2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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