# 2 Oversold Dividend-Growth Stars for Your TFSA

## Description

The market is finally serving up some great dividend deals just as investors are looking for new picks to add to their TFSAs.



Here are the reasons why **TransCanada Corporation** (TSX:TRP)(NYSE:TRP) and **Telus Corporation** (TSX:T)(NYSE:TU) are attractive picks right now.

**TransCanada**

TransCanada has really taken it on the chin over the past year, but the selloff is starting to look overdone.

Sliding oil prices have investors worried that TransCanada's growth prospects will suffer. Add to that President Obama's rejection of the Keystone XL pipeline, and you get a situation where people simply don't want to own the stock.

But TransCanada is not a one-project pony. In fact, the company has about $11 billion in smaller developments on the go that should be completed and in service by 2018. These projects will add additional revenue, and investors should see the dividend continue to rise according to increases in free cash flow.

TransCanada is also adding assets to its power generation business. The company recently sealed a deal to acquire a gas-fired power generation facility in Pennsylvania for US$654 million. The 778 megawatt Ironwood plant will immediately add cash flow and is expected to generate as much as $110 million in earnings per year.

Keystone looks dead for the near term, but the company's Energy East mega-project could still go through. At the moment, the market isn't pricing that possibility in to the stock.

TransCanada pays a quarterly dividend of $0.52 per share that yields 4.7%.

**Telus**

Telus is the fastest-growing company in an industry with very few serious competitors. That's the kind of stock that dividend investors love to own.

The company's media-focused peers are facing an uncomfortable situation right now because TV packages are about to be unbundled. Beginning in March, consumers will have the choice of keeping their existing plan or taking a $25 base package and adding channels on a pick-and-pay basis.

Telus doesn't own any of the content that it provides to its customers, so the company is not at risk of taking a big hit on programs and channels that might not find enough viewers under the new system.

Some pundits are concerned that consumers will attempt to lower their monthly bills. If that turns out to be true, Telus will feel the pinch, but I suspect people will simply add the channels they want until they hit their existing TV budget.

Telus has raised its dividend 12 times in the past five years. The stock pays a quarterly dividend of $0.44 per share that yields 4.7%.

This is one of those stocks you can simply buy and forget about for decades.



**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:TRP (Tc Energy)
2. NYSE:TU (TELUS)
3. TSX:T (TELUS)
4. TSX:TRP (TC Energy Corporation)

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