Attention Savers: An Instant 3-Stock Dividend Portfolio for Your TFSA

Description

Canadian savers can now put an extra $5,500 in their TFSAs, and any investor who was 18 or older in 2009 has racked up a total of $46,500 in TFSA contribution room.

That's a lot of tax-free investing potential, and the recent pullback in the market is giving dividend investors a great opportunity to buy some of Canada's top stocks at very attractive prices.

Here are the reasons why I think **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS), **Telus Corporation** (TSX:T)(NYSE:TU), and **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) are solid picks.

Bank of Nova Scotia

Bank of Nova Scotia is Canada's most international bank, and that's the thing that makes it so attractive right now.

The company is betting big on the long-term growth potential of four key countries: Mexico, Colombia, Peru, and Chile. These markets form the core of the Pacific Alliance, a trade bloc set up to enable the free movement of capital and goods among member states.

By establishing a strong brand presence in each country, Bank of Nova Scotia has positioned itself to reap the rewards of increased trade and middle-class growth in the combined market of more than 200 million people.

The company is already seeing the investments pay off. Year-over-year earnings in the company's international operations jumped 33% in Q4 2015. Deposits increased by 19% and loans rose 17%.

Bank of Nova Scotia pays a quarterly dividend of $0.70 per share that yields 5%.

Telus

Telus is the fastest-growing business in Canada's communications market. The company also boasts the lowest mobile subscriber churn rate. That's a good combination in a competitive market, and the secret to the company’s success lies in its unwavering commitment to providing the best service possible to its customers.

Investors have been unloading media and communications stocks on fears that the new pick-and-pay system for TV subscriptions will result in lower revenues for both media companies and the service providers. Telus doesn’t own any media content, and I suspect most TV viewers will simply add channels until they hit their previous package costs.

Telus cranks out a ton of free cash flow and is very good about putting it in the pockets of its shareholders. The company has raised the dividend 12 times in the past five years, and the current distribution yields about 4.6%.

Enbridge

The general malaise of the oil and gas sector has hit the stocks of pipeline companies pretty hard, but the selloff appears to be overdone in the case of Enbridge.

The company doesn’t actually produce oil and gas, it simply collects a fee for moving it from the producers to the customers. That’s a great business to be in because the volatility in commodity prices doesn’t have a large impact on earnings.

Enbridge has about $38 billion in energy infrastructure projects on the go, of which $25 billion is fully secured and expected to be in service by the end of 2019.

That means cash flow and earnings are set to rise at a healthy clip, and management expects to raise the dividend by at least 14% per year over that time frame. The distribution currently yields about 4.5%.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
4. TSX:BNS (Bank Of Nova Scotia)
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