2 Top Dividend-Growth Stocks for Your RRSP Portfolio

Description

Canadian investors are always searching for top stocks to put in their self-directed RRSP accounts.

Let's take a look at why **Telus Corporation** (TSX:T)(NYSE:TU) and **TransCanada Corporation** (TSX:TRP)(NYSE:TRP) should be on your radar.

Telus

Telus is the country's fastest-growing national communications provider with a powerful network of both wireline and wireless infrastructure.

Unlike its two largest rivals, Telus has refrained from dumping billions into media assets. Instead, management has focused on ensuring the business provides the best customer service in the industry, and that appears to be paying off.

The company continues to add new mobile, Internet, and TV customers at a healthy clip and boasts 22 straight year-over-year quarterly increases in its blended average revenue per user.

Telus is also investing heavily in its Telus Health division, which currently leads the Canadian market in providing healthcare providers with secure online claims and benefits-management solutions.

The company is a champion when it comes to rewarding shareholders through aggressive share buybacks and rising dividends. Management plans to raise the dividend payout by 7-10% per year through 2019, and the stock currently offers a quarterly distribution of $0.46 per share for a yield of 4.5%.

TransCanada

TransCanada had a rough 2015 as the oil rout and President Obama's rejection of the Keystone XL pipeline chased investors out of the stock.

Keystone is an important project, but TransCanada has a number of other opportunities to keep it busy. In fact, the company is working on $13 billion in near-term infrastructure projects that should be completed and generating revenue by 2019. As cash flow rises, TransCanada plans to boost the dividend by 8-10% per year through 2020.

Bargain hunters started buying the stock six months ago, and the share price has been on an upward trend ever since. Nonetheless, TransCanada still looks like a good buy.

Why?

The company recently sealed a deal to purchase Columbia Pipeline Group for US$13 billion. The acquisition gives TransCanada a foothold in the important Utica and Marcellus shale plays in the U.S., as well as a new pipeline system that extends from Appalachia to the Gulf Coast.

The purchase is expected to close by the end of 2016, and investors should see the benefits beginning next year.

Keystone is probably dead if the Democrats win the election, but a Republican victory could put the project back on the table. At the same time, the much larger Energy East pipeline is still working its way through the negotiation process, but I think it will eventually get the green light. Good news on either Keystone XL or Energy East could send the stock much higher.

TransCanada currently pays a quarterly dividend of $0.565 per share for a yield of 4.3%.

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2. NYSE:TU (TELUS)
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