

Attention Income Investors: 2 Rising Dividend Stocks for Your TFSA

Description

Income investors are searching for top picks to add to their TFSA accounts.

Let's take a look at **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) and **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) to see why they are attractive right now.

TransCanada

TransCanada sold off through the second half of 2015 as investors worried about falling energy prices and the effects of the rejection of the company's Keystone XL pipeline. By the end of the year, bargain hunters realized the damage was way overdone and started to buy the stock.

As a result, the shares have risen more than 25% over the past six months, but I think more gains are on the way.

Keystone is an important project, but TransCanada has a large portfolio of other projects under development, and those should ensure continued growth in revenue and cash flow. In fact, the company plans to put \$13 billion in new infrastructure assets into service by 2019, and that should support annual dividend growth of 8-10% through 2020.

TransCanada is also growing through acquisitions. The company just announced a US\$13 billion deal to acquire **Columbia Pipeline Group**. The purchase will give TransCanada a foothold in the important Marcellus and Utica shale plays as well as key infrastructure running to the Gulf Coast.

Here in Canada the company's \$15.7 billion Energy East pipeline is still up in the air, but negotiations are moving along with provincial and municipal stakeholders, and the federal government appears keen to get the project built.

TransCanada currently offers a dividend yield of 4.2%

Sun Life

Sun Life took a beating during the financial crisis, but the company has recovered well and is once again focused on growth.

Management sold off the troublesome U.S. annuities business and has shifted new investments toward the asset management sector. The new group provides a nice complement to the existing insurance and wealth management operations.

Sun Life is also expanding its overseas presence with a specific focus on Asia. The company recently raised its stake in the Birla Sun Life partnership in India and increased its holding in interests in Vietnam and Indonesia.

Year-over-year Q1 net income rose 22%, and management just raised the quarterly dividend by 4%. The current payout offers a yield of 3.5%.

If you want a strong pick in the financial space without taking on some of the risks faced by the banks, Sun Life is a solid choice.

CATEGORY

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2. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:TRP (TC Energy Corporation)

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Date

2025/08/27

Date Created

2016/05/25

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