



3 Top Dividend Stocks for Your TFSA

Description

Tax-free savings accounts (TFSAs) offer Canadians who are 18 and older the opportunity to set money aside and earn investment income without having to worry about the taxman, even when it's withdrawn.

If you do not already have a TFSA, you should strongly consider opening one, and if you do have one, here are three great dividend stocks that you could add to it right now.

1. Enbridge Inc.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is one of North America's leading owners and operators of energy infrastructure, including oil and natural gas pipelines and storage terminals, natural gas processing plants, power transmission lines, and renewable power-generation facilities.

It pays a quarterly dividend of \$0.53 per share, or \$2.12 per share annually, which gives its stock a yield of approximately 4% at today's levels.

It's also important to make the following two notes about its dividend.

First, Enbridge has raised its annual dividend payment for 20 consecutive years, and its two hikes since the start of 2015, including its 14% hike in December, have it on pace for 2016 to mark the 21st consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its net earnings, and a dividend-per-common-share growth target of 14-15% annually through 2019, making it one of the top dividend-growth plays in the market.

2. Laurentian Bank of Canada

Laurentian Bank of Canada ([TSX:LB](#)) is one of the largest banks in eastern Canada with approximately \$41.02 billion in total assets.

It pays a quarterly dividend of \$0.60 per share, or \$2.40 per share annually, which gives its stock a

yield of approximately 4.6% at today's levels.

It's also important to make the following two notes about its dividend.

First, Laurentian Bank has raised its annual dividend payment for eight consecutive years, and its three hikes since the start of 2015, including its 3.5% hike earlier this month, have it on pace for 2016 to mark the ninth consecutive year with an increase.

Second, although the company does not have a specified dividend-payout target, it has kept it about 40% of its adjusted net earnings over the last several years, so I think its consistent growth, including its 6.3% year-over-year increase to \$2.86 per share in the first half of fiscal 2016, will allow its streak of annual dividend increases to continue for many years to come.

3. Granite Real Estate Investment Trust

Granite Real Estate Investment Trust ([TSX:GRT.UN](#))(NYSE:GRP) is one of the largest owners and operators of industrial, warehouse, and logistics properties in North America and Europe. It has a portfolio of 95 properties spread across nine countries that total approximately 30 million square feet.

It pays a monthly distribution of \$0.203 per share, or \$2.44 per share annually, which gives its stock a yield of approximately 6.15% at today's levels.

It's also important to make the following two notes about its distribution.

First, Granite has raised its annual distribution for five consecutive years, and its 5.7% hike in March has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, although the company does not have a specified distribution payout target, it has kept it around 70% of its funds from operations over the last few years, so I think its consistent growth, including its 7.3% year-over-year increase to \$0.88 per share in the first quarter of fiscal 2016, will allow its streak of annual distribution increases to continue going forward.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:LB (Laurentian Bank of Canada)

Category

1. Dividend Stocks

Date

2025/08/25

Date Created

2016/06/06

Author
jsolito

default watermark

default watermark