



## Dividend Investors: 2 Top Stocks for Your Holiday Buy List

### Description

Income investors are searching for top picks to stuff in their stockings this holiday season.

Let's take a look at **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) to see why they might be attractive choices.

#### TransCanada

TransCanada purchased Columbia Pipeline Group for US\$13 billion this year in a deal that sets the company up well for strong growth in the North American natural gas infrastructure sector.

Columbia's assets include strategic pipeline networks that extend from New York to the Gulf of Mexico with a significant presence in the coveted Appalachia production basin.

The purchase also added a sizeable backlog of commercially secured projects, which raised the size of TransCanada's near-term development portfolio to \$25 billion.

As these assets are completed and go into service, TransCanada expects cash flow to increase enough to support annual dividend growth of at least 8% through 2020.

The company's stalled mega projects might also get the green light in the coming years.

Why?

Donald Trump has stated he would approve the Keystone XL pipeline that was rejected by President Obama.

Here in Canada, the Energy East project remains stuck in the mud, but the Liberal government is showing signs of being more pipeline friendly. If progress can be made on Energy East, TransCanada's stock could get a nice boost.

The current dividend provides a yield of 3.75%.

## BCE

BCE continues to cement its dominant position in the Canadian communications industry.

The company closed a deal this year to acquire the remaining interest it didn't already own in Q9 Networks and is working through the process of finalizing its proposal to buy **Manitoba Telecom Services**.

While this is going on, BCE is still investing in its state-of-the art wireless and wireline networks and is making progress on getting all of its media assets working together in an efficient and profitable way.

Some analysts say the stock is too expensive and is destined for a steep drop once interest rates start to move higher.

The shares have already pulled back about 10% from the 2016 high, so there is less downside risk today than there was at the end of October.

Investors shouldn't expect huge stock-price gains, but the dividend is rock solid and the 4.7% yield is very attractive for income investors.

### Is one a better bet?

Earlier in the year I would have made TransCanada the first choice, but the stock has rallied so much that it's probably a coin toss between the two names today.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:TRP (TC Energy Corporation)

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