



## RRSP Investors: 2 Canadian Dividend Stars to Consider in January

### Description

Canadian investors are searching for top dividend picks to put in their RRSP accounts.

Let's take a look at **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) to see why they might be attractive choices right now.

#### TransCanada

TransCanada has been on a bit of a roller-coaster ride over the past two years.

The stock took a big hit in 2015 when oil crashed and President Obama rejected the company's Keystone XL pipeline. In response, TransCanada decided to boost growth through its US\$13 billion acquisition of Columbia Pipeline Group in 2016.

The deal added strategic assets in the Marcellus and Utica gas plays, as well as significant natural gas pipelines in the United States.

TransCanada now has \$25 billion in near-term projects under development. As the new assets are completed and go into service, TransCanada should see cash flow grow enough to support annual dividend increases of at least 8% through 2020.

The mega projects might also get some traction in 2017. Donald Trump said he would approve Keystone if elected. We'll see what happens after he takes office.

In Canada, the company's Energy East project remains stuck in the mud, but the Liberal government is focused on getting Alberta's oil to foreign markets, so better news could be on the horizon for the pipeline.

TransCanada's current dividend yields 3.7%.

#### Bank of Montreal

Investors often skip Bank of Montreal when looking for a bank stock to add to their portfolios, but that

might be a mistake.

The company has a balanced revenue stream with strong operations in retail, wealth management, and capital markets activities. Bank of Montreal also has a large U.S. personal and commercial banking group with close to 500 branches.

The American division has been the star recently, as the economic recovery and the strong U.S. dollar have helped boost results. Bank of Montreal continues to invest south of the border, and investors should see the trend continue.

The company has paid a dividend every year since 1829. That's an impressive track record that deserves some respect. The current payout offers a yield of 3.6%.

If you want a stock you can buy and simply forget about for 20-30 years, Bank of Montreal should be on your radar.

### **Is one a better bet?**

Both stocks are solid buy-and-hold RRSP picks and deserve to be in any dividend portfolio.

TransCanada probably offers better dividend growth in the near term, and any positive news on Keystone could give the stock a nice boost. As such, I would give the pipeline company the edge today.

### **CATEGORY**

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

### **TICKERS GLOBAL**

1. NYSE:BMO (Bank of Montreal)
2. NYSE:TRP (Tc Energy)
3. TSX:BMO (Bank Of Montreal)
4. TSX:TRP (TC Energy Corporation)

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### **Date**

2025/09/12

**Date Created**

2017/01/10

**Author**

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