

RRSP Investors: 2 Dividend Stocks to Consider Today

Description

Canadians are searching for top dividend stocks to add to their RRSP portfolios.

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

Bank of Montreal

Investors often skip Bank of Montreal in favour of its larger peers, but that might not be wise.

Why?

As Canada works its way through a rough patch, bank investors should look for names with diversified revenue streams, and Bank of Montreal's is as balanced as they come.

The company has a strong personal and commercial banking presence in Canada as well as large wealth management and capital markets divisions.

The most appealing part of the company, however, might be its U.S. operations. Bank of Montreal operates more than 500 U.S. branches, primarily located in the Midwest.

Growth in the U.S. economy is expected to ramp up under President Trump, and that bodes well for Bank of Montreal's American business. Profits should continue to rise, and the bank now picks up a nice bonus with the USD to CAD exchange rate now above \$1.30.

Bank of Montreal has given investors a share of the profits every year since 1829. The dividend currently yields 3.6%.

TransCanada

TransCanada took a big hit in 2015, but the stock rallied significantly last year, and more gains could be on the way.

What's the scoop?

The oil rout and President Obama's rejection of the Keystone XL pipeline sent investors running for the hills, but improved oil prices, a major takeover, and a Trump election win have pundits feeling good about the stock.

TransCanada spent \$13 billion to acquire Columbia Pipeline Group last year in a deal that added strategic gas assets and boosted the company's near-term development portfolio.

With close to \$25 billion in commercially secured small and medium projects, TransCanada should see

cash flow rise enough to support annual dividend growth of at least 7% through 2019 as the new assets go into service.

President Trump could give Keystone XL the green light with new terms. If that doesn't work out, there could be a strong push by Ottawa to get TransCanada's Energy East project built.

TransCanada's dividend current offers a yield of 3.6%.

Is one more attractive?

Both stocks are proven buy-and-hold RRSP picks.

Bank of Montreal has enjoyed a stellar run in recent months, so it is probably fully valued at the moment. As such, I would be inclined to go with the TransCanada as the first pick today.

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