



Retirees: 2 High-Yield Dividend Stocks to Generate Income in Your TFSA

Description

Canadian retirees are searching for reliable income stocks to put in their TFSA accounts.

Let's take a look at **Altagas Ltd.** ([TSX:ALA](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) to see why they might be interesting picks.

Altagas

Altagas flies under the radars of most investors who are interested in energy utilities, but that might begin to change.

Why?

The company recently announced plans to purchase Washington, D.C.-based **WGL Holdings** for \$8.4 billion. The deal is expected to close in the first half of 2018 and will create a diversified North American energy infrastructure company with \$22 billion in assets.

Management says it has \$7 billion in identified capital-investment opportunities and sees cash flow increasing enough to support annual dividend growth of at least 8% through 2021.

Altagas is also active on the west coast.

New plants and infrastructure projects underway in British Columbia include a propane-export terminal in Prince Rupert and NGL assets in the Montney play.

In California, the company just opened a 20 MW battery-storage facility which is one of the largest of its kind in North America.

The stock has pulled back in the wake of the WGL news, giving investors a chance to pick up Altagas at a reasonable price and collect a solid 6.8% dividend yield.

BCE

BCE now has the final approvals it needs to close its acquisition of **Manitoba Telecom Services** (MTS). The deal bumps BCE up to the top spot in the Manitoba market and gives the communications giant a solid base to increase its presence in western Canada.

Critics of the stock say it is too expensive based on its expected 2017 revenue growth rate of 1-2%. Telecom stocks are also considered at risk if interest rates rise significantly in the coming years.

These are certainly valid points, and value investors looking for a big capital gain should probably search out other opportunities.

Income investors, however, might want to add a bit of BCE to their portfolio. The stock tends to hold up well when the broader market hits some turbulence, and the dividend, which currently yields 4.9%, should be rock solid.

BCE's dominant position is another reason to own the stock. The company is so well entrenched, it pretty much has the power to increase prices at will.

Is one a better bet?

Both stocks should be reliable picks for a TFSA income portfolio.

If you only buy one, I would probably make Altagas the first choice today. The stock is a bit more volatile than BCE, but the company provides a higher yield, and once the dust settles on the WGL deal, shareholders should see stronger dividend growth over the medium term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:BCE (BCE Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/10/02

Date Created

2017/03/10

Author
aswalker

default watermark

default watermark