



2 Dividend-Growth Stocks to Hold in Your RRSP

Description

Canadian investors are always searching for reliable stocks to add to their RRSP holdings.

Let's take a look at **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) and **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) to see why they might be interesting picks.

Telus

In an over-heated market that looks like it could be setting up for a significant pullback, Telus is an appealing pick.

Why?

The noise in Europe, Asia, and the United States has little impact on the company's day-to-day business, and Telus continues to profit from its comfortable spot in the cozy Canadian communications industry.

In fact, the business reported Q4 2016 net addition of 87,000 postpaid wireless, 16,000 TV, and 24,000 internet subscribers.

Telus spends heavily on ensuring it provides industry-leading customer service, and the efforts are showing up in the retention and revenue numbers. The company's postpaid wireless monthly churn rate is less than 1%, and its mobile customers have spent more on a monthly basis for 25 straight quarters on a year-over-year basis.

Management's decision to avoid dumping billions into media assets has some pundits wondering if Telus will be at a disadvantage in the coming years. Time will tell, but the company sees strong opportunities in other sectors. For example, Telus Health is already a leading provider of digital solutions to Canadian doctors, hospitals, and insurance companies.

Telus has a strong track record of dividend growth and share buybacks. The current distribution provides a yield of 4.5%.

Fortis

Fortis owns natural gas distribution, power generation, and electricity transmission assets in Canada, the United States, and the Caribbean.

More than half of the company's revenue is generated in the United States, which gives investors a chance to get access to the U.S. market without having to buy American stocks.

Management plans to raise the dividend by at least 6% per year through 2021, driven by last year's \$11.3 billion acquisition of ITC Holdings Corp. and ongoing developments.

The company has raised the dividend every year for more than four decades, so investors should feel comfortable with the outlook. Fortis currently pays a quarterly distribution of \$0.40 per share for a yield of 3.7%.

Is one more attractive?

Both stocks should be solid buy-and-hold picks for an RRSP portfolio.

Telus offers a better dividend yield, while Fortis probably has stronger upside potential. As such, I would probably call it a coin toss between the two names today.

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Date

2025/08/20

Date Created

2017/03/22

Author

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