



## Dividend Investors: Should BCE Inc. or Bank of Montreal Be in Your RRSP?

### Description

Canadian investors are searching for top-quality dividend stocks to add to their self-directed RRSP portfolios. The strategy is a wise one, especially when dividends are used to buy new shares. This sets off a powerful compounding process that can turn a modest initial investment into a large retirement nest egg over time.

Let's take a look at **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) to see if one is an attractive pick today.

### BCE

BCE recently closed its purchase of Manitoba Telecom Services in a deal that bumped BCE to the top spot in the Manitoba market. The company picks up a nice basket of mobile, TV, and internet customers and now has a solid base in central Canada to expand its presence in the western provinces.

Critics of the stock say growth is limited, which is true if you are comparing the business to a value play in another industry, but BCE still deserves some respect.

The company generates significant free cash flow to support the juicy dividend, and the stock tends to hold up well when the broader market hits a rough patch.

Interest rate fears have put some pressure on the stock of late, bringing the price down to a more reasonable level. At the time of writing, BCE's dividend provides a yield of 4.9%.

### Bank of Montreal

Investors often bypass Bank of Montreal when looking for a bank stock to add to their portfolios, but that might not be the best decision.

The company has a balanced revenue stream with solid personal and commercial banking, wealth management, and capital markets operations.

Bank of Montreal also has a large presence in the United States with more than 500 branches primarily located in the Midwest.

The U.S. business stumbled a bit in the most recent quarter, but it still provides a nice hedge against potential weakness in Canada, which is worth considering now that interest rates are likely moving higher and Canadian borrowers might start to feel the pinch.

Bank of Montreal has paid a dividend every year since 1829. The current payout provides a yield of 3.7%.

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

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

The best option might be to split an investment between the two names. You get the higher yield from BCE while picking up some U.S. exposure through Bank of Montreal.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### **Category**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **Date**

2025/08/24

### **Date Created**

2017/07/11

---

**Author**  
aswalker

default watermark

default watermark