Income Investors: 2 High-Yield Dividend Stocks for Your TFSA Today

Description

Canadians are searching for ways to get the most return out of their hard-earned savings.

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 owns gas, power, and utility businesses in Canada and the United States.

The company has grown over the years through a combination of organic developments and strategic acquisitions, and that trend continues today.

For example, Altagas is expanding its Townsend gas-processing operations and building a propane export plant in British Columbia.

In addition, the company opened its new battery-storage facility in California at the end of last year and is in the process of buying Washington D.C.-based **WGL Holdings** for $8.4 billion.

Management is targeting annual dividend growth of at least 8% through 2021, supported by expected cash flow gains from the new assets.

The stock is down due to the broader weakness in the energy market, and some investors are waiting to see how much the company can get from planned asset sales to help pay for the WGL deal before they step in and buy.

As a result, you can pick up a yield of about 7.3% today.

BCE

BCE is a giant in the Canadian communications sector.

The company recently completed its acquisition of Manitoba Telecom Services in a deal that vaulted

BCE to the number one spot in the Manitoba market and positioned the company for an expansion of its presence in the western provinces.

BCE has also built a significant media business which includes sports teams, a television network, specialty channels, radio stations, and an advertising business.

On top of this, BCE owns retail locations across the country.

These assets, when combined with the world-class wireline and wireless networks, create a powerful business that has the capability to interact with most Canadians on a weekly, if not daily, basis.

In fact, any time a person in this country checks e-mail, calls a friend, streams a movie, listens to the weather report, watches the news, or sends a text, the odds are pretty good that BCE is involved somewhere along the line.

The stock has come under some pressure in the past couple of months as a result of heightened fears about interest rate hikes. Higher rates can be negative for telecom stocks, but the pullback might be a bit overdone.

BCE’s dividend is very safe and provides a yield of 4.8%.

Is one more attractive?

At this point, I would probably split a new position between the two stocks. This provides exposure to both Canada and the U.S. and would generate an average yield of better than 6%.

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