

Retirees: 3 High-Yield Canadian Stocks for Your TFSA Today

Description

Canadian pensioners are searching for ways to improve the returns they can get on their savings.

One strategy involves holding reliable dividend stocks inside a TFSA income portfolio. This makes sense, as the distributions are 100% yours to keep.

That's right; the authorities can't touch your TFSA gains.

Let's take a look at **Altagas Ltd.** ([TSX:ALA](#)), **TransAlta Renewables** ([TSX:RNW](#)), and **Power Financial Corp.** (TSX:PWF) to see why they might be interesting picks.

Altagas

Altagas owns power, gas, and utility businesses in Canada and the United States. The company has grown over the years through a mix of organic developments and strategic acquisitions, and that trend continues.

Altagas is expanding its Townsend gas-processing facility and building a propane export terminal in British Columbia. It is also in the process of buying Washington D.C.-based **WGL Holdings** for \$8.4 billion.

The stock is down amid concerns that planned asset sales to help pay for the WGL deal might not generate as much money as expected. Overall avoidance of the broader energy sector might also be a factor.

The company reported strong Q2 2017 numbers, and Altagas intends to raise the dividend by at least 8% per year through 2021 once the WGL deal closes in 2018. The dividend currently yields 7.5%.

TransAlta Renewables

TransAlta Renewables owns wind, hydroelectric, and gas-fired power-generation assets.

Most of the revenue comes from long-term contracts, and the company just finished a major project in Australia that is going to provide a nice boost to cash flow.

The stock has pulled back a bit in the past couple of months and currently offers a dividend yield of 6.5%.

Power Financial

Power Financial is a holding company with a portfolio of Canadian businesses in the wealth management and insurance sectors. The company also has a position in a European company that holds stakes in some of the continent's top global businesses.

As interest rates rise, insurance companies tend to benefit because they can get better returns on the funds they have to set aside to cover potential claims. Power Financial provides investors with an easy way to get exposure to the sector.

The stock isn't as cheap as it was three months ago, but investors who buy today can still pick up a dividend yield of 4.9%.

Is one more attractive?

All three companies provide distributions that should be safe. At this point, Altagas is starting to look oversold, so I would probably make the energy infrastructure company the first pick.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:RNW (TransAlta Renewables)

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