



2 Dividend-Growth Stocks on Sale Today

Description

Dividend investors are always searching for top companies that provide reliable and growing distributions.

These stocks often trade at a premium, but once in a while the market serves up a few deals.

Let's take a look at **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) to see why they might be interesting picks right now.

TransCanada

TransCanada purchased Columbia Pipeline Group last year in a US\$13 billion deal that added strategic assets in the growing Marcellus and Utica shale plays, as well as important pipeline infrastructure, including a connection from Appalachia to the Gulf Coast.

The acquisition also provided a nice boost to TransCanada's development portfolio. In fact, the company has \$24 billion in near-term capital projects on the go that should boost cash flow enough to support dividend growth of at least 8% through 2020.

The company's mega-projects have run into some delays in recent years, but Keystone XL might be back from the dead. If TransCanada decides to go ahead with the pipeline, investors could see an upgrade to the dividend-growth guidance.

The stock is down about 5% over the past month, giving investors a chance to pick up a 4% yield.

Bank of Montreal

Investors often skip Bank of Montreal in favour of its larger peers, but the company probably deserves more respect.

The bank has a balanced revenue stream coming from commercial and personal banking, capital markets, and wealth management operations. Bank of Montreal also has a strong U.S. presence with

more than 500 branches primarily located in the Midwest.

The stock is down more than 10% in the past six months due to a slowdown in the U.S. division, which delivered flat year-over-year results in the latest quarter.

However, the bank still made \$1.39 billion in fiscal Q3 2017, representing a decent 11% gain over the same period last year.

Bank of Montreal has weathered every financial storm and economic downturn Canada has encountered, and investors have received a dividend every year since 1829.

At the time of writing, the distribution provides a yield of 4%.

Is one more attractive?

Both stocks should be solid buy-and-hold picks for a dividend-focused portfolio. At this point, I would probably split a new investment between the two names.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:TRP (Tc Energy)
3. TSX:BMO (Bank Of Montreal)
4. TSX:TRP (TC Energy Corporation)

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