



## TFSA Savers: 2 Top Canadian Dividend Stocks to Buy Today

### Description

Canadian investors are searching for quality dividend-growth stocks to add to their TFSA portfolios.

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

#### TransCanada

TransCanada recently pulled the plug on its Energy East Pipeline and Eastern Mainline projects.

On the surface, that doesn't sound good, as pipeline companies need to acquire or build new assets to grow revenue and cash flow.

The news was not a surprise to most followers of the stock, however, and the market actually rewarded TransCanada with a small boost to the stock price in the wake of the announcement.

Why?

Energy East faced significant resistance, and cost estimates to construct the line had increased from about \$12 billion to close to \$16 billion as the company tried to find ways to tweak the route to get it approved.

With the project now abandoned, management and investors can focus their attention on the company's near-term commercially secured projects as well as the Keystone XL pipeline.

TransCanada has about \$24 billion in capital projects on the go that should boost cash flow enough to support dividend growth of at least 8% per year through 2020.

In addition, the Keystone XL mega-project is back on the table under the Trump administration, and TransCanada could give it the green light in the coming months.

If Keystone goes ahead, investors might see an upgrade to the dividend-growth guidance.

The stock currently provides a yield of 4%.

### **Bank of Nova Scotia**

Bank of Nova Scotia has invested heavily in building a large international business, with a specific focus on Mexico, Peru, Colombia, and Chile.

These countries form the core of the Pacific Alliance, which is a trade bloc set up to promote the free movement of goods and services among the member states.

As the middle class grows, demand for loans and investment products should increase, and Bank of Nova Scotia is positioned well to benefit in this combined market of more than 200 million people.

The international operations already contribute nearly 30% of Bank of Nova Scotia's profits.

If you are looking for a bank stock, but want a hedge against any difficult times in the Canadian economy, Bank of Nova Scotia should be an attractive buy-and-hold pick.

The company has a strong track record of dividend growth and the current payout yields 3.9%.

### **Is one more attractive?**

Both stocks provide solid dividends that should be safe. At this point, I would probably split a new investment between the two names to get exposure to Canada, the United States, and international markets.

### **CATEGORY**

1. Bank Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:TRP (TC Energy Corporation)

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