3 Top Canadian Dividend Stocks to Boost Your TFSA Income

Description

Canadian income investors are searching for reliable dividend stocks to add to their TFSA portfolios.

Let's take a look at three of Canada's top companies that pay attractive and growing dividends.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

TD has a delivered a compound annual dividend-growth rate of 10% over the past two decades. At the time of writing, investors can pick up a 3.2% yield.

The bank is broadly viewed as the safest pick among its Canadian peers due to the heavy focus on retail banking activities. In addition, the large U.S. operation provides a nice hedge against any potential weakness in the Canadian economy.

In fact, TD gets more than 30% of its net income from the American division.

Investors might be concerned that rising interest rates could trigger mortgage defaults. Some homeowners will likely find themselves in a difficult situation, but TD's mortgage portfolio is capable of riding out a downturn in the housing market.

Overall, higher interest rates tend to be positive for the banks.

TransCanada Corporation (TSX:TRP)(NYSE:TRP)

TransCanada owns and operates energy infrastructure assets in Canada, the United States, and Mexico.

The acquisition of Columbia Pipeline Group in 2016 added strategic assets in the Marcellus and Utica shale plays as well as important gas infrastructure running from Appalachia to the Gulf Coast.

TransCanada is moving ahead with $24 billion in commercially secured near-term growth projects. As the assets are completed and go into service, management says cash flow should grow enough to support annual dividend increases of at least 8% through 2021.

The current payout provides a yield of 4.6%.

BCE Inc. (TSX:BCE)(NYSE:BCE)

BCE had an active 2017, and investors stand to reap the benefits in the coming years.

What's the scoop?

The company bought Manitoba Telecom Services in a deal that bumped BCE into top spot in the Manitoba market and gave the communications giant a strong base in central Canada.

BCE also announced its purchase home-security provider AlarmForce. The deal closed in January, and investors could see a strong uptake from the company's massive residential customer base.

Finally, BCE moved back into the pre-paid mobile segment with the launch of Lucky Mobile.

The company generates adequate free cash flow to cover the generous dividend, and investors should see the payout continue to increase.

At the time of writing, the distribution provides a yield of 5%.

The bottom line

All three companies are market leaders with long track records of dividend growth and should continue to be solid buy-and-hold picks for an income-focused TFSA portfolio.

Investors who are also searching for growth stocks have some interesting Canadian opportunities to explore today.

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