5 Dividend Stocks to Launch Your RRSP Portfolio Today

Description

Canadian savers are searching for ways to set some cash aside to fund a comfortable retirement.

One strategy involves buying quality dividend-growth stocks and investing the distributions in new shares. This harnesses the power of compounding and can turn a modest initial investment into a nice nest egg over time.

Let's take a look at five Canadian stocks that might be attractive today.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge bought Spectra Energy last year in a $37 billion deal that created North America's largest energy infrastructure company.

The giant is working through $22 billion in near-term commercially secured development projects that should be completed by the end of 2020. As the new assets go into service, Enbridge expects cash flow to increase enough to support annual dividend growth of at least 10% over that time frame.

The current payout provides a yield of 6.3%.

Canadian National Railway Company (TSX:CNR)(NYSE:CNI)

CN is literally the backbone of the Canadian and U.S. economies, with tracks running to three coasts.

The company generates significant free cash flow and has a long history of sharing the profits with investors through dividend increases and share buybacks. In fact, the rail operator recently increased the distribution by 10%.

CN's yield might not be very high, but the dividend-growth track record is one of the best in the Canadian market.

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

TD is best known for its Canadian operations, but the bank actually has more branches south of the border than it does in the home country, and the U.S. group contributes more than 30% of the company's income.

The heavy focus on retail banking should make TD a safer bet than some of its peers, who rely more heavily on capital markets operations.

TD has a compound annual dividend-growth rate of better than 10% over the past 20 years, and investors should see the strong trend continue.

The stock provides a yield of 3.2%.

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

BCE made two acquisitions and launched a new business in the past year. That's not bad for a company that many consider to be a boring slow-growth stock.

The communications giant has a powerful presence in the market through its media and telecom businesses and possesses the capability to interact with most Canadians on a weekly, if not daily, basis.

BCE generates adequate free cash flow to support its generous dividend, which provides a yield of 5.3%.

Fortis Inc. (TSX:FTS)(NYSE:FTS)

Fortis owns natural gas distribution, power generation, and electric transmission assets in Canada, the United States, and the Caribbean.

The majority of the company's revenue comes from regulated assets, and that's good news for conservative dividend investors.

Management is working on a $14.5 billion capital program that should boost the rate base enough over the next five years to support annual dividend growth of at least 6%.

The company has raised the payout every year for more than four decades, so investors should feel comfortable with the guidance.

Fortis provides a yield of 4%.

The bottom line

All five of these companies have delivered strong results for decades and should continue to be solid buy-and-hold picks for a dividend-focused RRSP portfolio.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks

4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:BCE (BCE Inc.)
7. TSX:CNR (Canadian National Railway Company)
8. TSX:ENB (Enbridge Inc.)
9. TSX:FTS (Fortis Inc.)
10. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Tags

1. Editor's Choice

Date
2025/08/20
Date Created
2018/02/27
Author
aswalker