Churn Out Income in Your TFSA: Buy These 4 Stocks

Description

Recent forecasts expect the Canadian dollar to rebound if and when a NAFTA deal is reached. On March 20, the Canadian dollar made slight gains to bounce back from a 10-month low but settled around the $0.77 mark. Traders continue to expend gradual rate hikes from the Bank of Canada, as policy makers remain anxious about global trade, housing, and Canadian consumer debt.

Smack dab in the middle of tax season, Canadian investors should be hungry for tax-free gains in the spring and summer. Today, we are going to look at four stocks that would be right at home in any TFSA and are capable of providing solid income for the long term.

Canadian Utilities Ltd. (TSX:CU)

Canadian Utilities is a Calgary-based utility company. Canadian Utilities stock has dropped 8.9% in 2018 as of close on March 20. Utility stocks have been battered by rising bond yields in early 2018. Canadian Utilities released its 2017 fourth-quarter and full-year results on February 22.

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The company reported record earnings of $602 million in 2017 compared to $590 million in the prior year. Canadian Utilities plans to invest $4.4 billion in capital growth projects from 2018 to 2020. The company has delivered 46 consecutive years of dividend growth, which is the longest active streak among its peers. It declared a first quarter dividend of $0.39 per share, representing a 4.3% dividend yield.

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

CN Rail is a Montreal-based rail transportation company. Its stock has dropped 8% in 2018 thus far and is down 0.88% year over year. CN Rail stands to gain from the short-term weakness of the Canadian dollar in its cross-border rail and manufacturing business.

CN Rail reported a benefit from the U.S. Tax Cuts and Jobs Act with a deferred income tax recovery of $1.76 billion, which saw net income surge 51% year over year in 2017. The company announced a dividend of $0.10 per share, representing a 1.7% dividend yield. CN Rail has delivered dividend growth for 22 consecutive years.

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

BCE is a Quebec-based telecommunications company. Shares of BCE have dropped 7% in 2018 so far. Telecom stocks have also suffered due to rising bond yields that have driven investors away from this post-2009 income stars.

In 2017, BCE saw operating revenues increase 4.6% year over year to $22.7 billion and adjusted EBITDA rise 4.4% to $9.1 billion. This was driven by a 10.6% increase in wireless service revenue.The company announced a dividend hike of 5.2% to $3.02 annually, representing a 5.1% dividendyield. BCE has delivered nine consecutive years of dividend growth.

Genworth MI Canada Inc. (TSX:MIC)

Genworth is an Oakville-based private residential mortgage insurer. Genworth stock is down 3.4% in 2018 as of close on March 20. In 2017, net income jumped 27% to $528 million, and premiums earned rose 6% from the prior year to $676 million. The company announced a quarterly dividend of $0.47 per share, representing a 4.3% dividend yield. Genworth has also delivered nine consecutive years of dividend growth.

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