



## 3 Top Canadian Stocks for New TFSA Investors

### Description

Getting your feet wet in the [equity market](#) can be a nerve-wracking experience, but the potential long-term rewards should be worth the effort.

One popular strategy involves owning reliable dividend stocks. This makes sense, as dividends contribute a significant part of the returns investors pick up over the long haul. In addition, investors who use the dividends to buy new shares can take advantage of dips and harness the power of compounding to build a nice portfolio.

Let's take a look at three stocks that have generated solid returns over the past two decades.

#### **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#))

Rogers is a Canadian communications player with mobile, cable, and media operations. As data usage continues to increase, Rogers should see revenue expand in its wireless business and in the internet segment of the cable operations.

Rogers has had some challenges with customer service on the mobile side, but that appears to be getting better. The company reported Q1 churn of just 1.08%, which was best result in 15 years.

The media group has had its share of headaches, too, including the failed Shomi streaming service and the \$100 million the company invested in its venture with Vice Media before walking away from the partnership in early 2018.

That said, it hasn't all been bad news in the media business. In 2013, Rogers secured the NHL broadcast rights for Canada until the end of the 2025-2026 season. With the Leafs and Jets starting to look like serious Stanley Cup contenders, the deal could turn out to be lucrative in the remaining years of the agreement. Rogers is a partner in Maple Leaf Sports and Entertainment, which owns the Leafs, Raptors, Argonauts, and Toronto FC. Rogers also owns 100% of the Blue Jays.

The company hasn't raised its dividend since 2015, but that could start to change under the new CEO, who used to head up **Telus**. The current payout provides a yield of 3%.

A \$10,000 investment in Rogers 20 years ago would be worth \$135,000 today with the dividends reinvested.

### **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#))

TD's current dividend provides a yield of 3.5%.

The company has a compound annual dividend-growth rate of higher than 10% over the past 20 years, which is a solid performance for any stock in any industry. Investors should see the steady trend extend into the future, as management is targeting earnings-per-share growth of 7-10% in the medium term. Long-term followers of the bank are aware that TD often delivers much better returns than it forecasts.

The company has an extensive presence in the United States, providing investors with solid access to growth south of the border.

A \$10,000 investment in TD 20 years ago would be worth more than \$80,000 today with the dividends reinvested.

### **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#))

Fortis started out as a small power company in St. John's Newfoundland in 1885, but it has grown to be a utility powerhouse in Canada and the United States with \$49 billion in assets.

Management continues to invest in capital projects and strategic acquisitions to drive revenue higher and support cash flow growth. The company has increased the dividend for 44 consecutive years and anticipates annual increases of about 6% through 2022. The current payout provides a yield of 4%.

A \$10,000 in Fortis 20 years ago would be worth more than \$75,000 today with the dividends reinvested.

### **The bottom line**

Buying quality dividend stocks that are market leaders with wide moats has proven to be a solid strategy over time and should continue to provide attractive results in the years to come. Rogers, TD, and Fortis are just three of the top companies in the Canadian market.

### **CATEGORY**

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)

2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:FTS (Fortis Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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