TFSA Investors: 3 Dividend Stocks to Buy and Forget

Description

A great place to store dividend stocks is in a TFSA, since both the capital appreciation and dividend income you earn on the investments can be tax-free, assuming you have room and that the investments are eligible. The three stocks listed below are great options for a TFSA, with each stock paying a growing dividend and also having strong growth prospects for the long term.

BCE Inc. (TSX:BCE)(NYSE:BCE) is one of Canada's most well-known stocks. It can offer investors a lot of diversification in just one investment. Whether it be sports, media, or telecom, there are many ways that BCE can generate growth for its investors. Over the past five years, the company has also been able to average a strong 12% profit margin, providing a lot of substance behind the stock, which, in today's market, is simply not all that common.

BCE hiked its dividend by 5.2% this year, and it now pays investors more than 5.6% per year. By no means is that a small yield, and with dividends growing by 30% in the past five years, payouts to shareholders will likely continue to grow, as the company prides itself on having a great dividend.

Telecom stocks have struggled this year, and with BCE dropping more than 10% in 2018, it could be a great buying opportunity for investors to secure a low price for the stock, which currently trades at a multiple of only 17 times its earnings.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is another top dividend stock that you can buy and hold for decades. You might not expect a bank stock to have a lot of potential growth given its industry, but with its recent purchase of PrivateBancorp, Inc., CIBC has a great opportunity to grow its operations in the U.S.

In its most recent quarter, sales were up over 18% as the bank has already started to get a boost from its recent acquisition. It's still just scratching the surface of what it can achieve, making it a very appealing buy today given the potential upside the stock has.

Its dividend currently pays investors 4.6% per year, and that's likely to climb over time, as the bank increased its dividend twice last year and has already hiked payouts once this year. Over five years, its dividend payments have grown by nearly 40%.

TransCanada Corporation (TSX:TRP)(NYSE:TRP) has struggled this year with its share price dropping 7% in value so far, but the outlook for the stock could be changing quickly, as it expects to start building the Keystone XL next year. The long-awaited project could produce significant growth for TransCanada, especially as oil prices continue to rise and the industry recovers.

This is another great dividend-growth stock that has risen 50% in five years and currently pays its shareholders a yield of 4.9%. Trading at only a multiple of 16 times its earning, TransCanada is a good value buy today, as investors are still apprehensive about investing in stocks tied to oil and gas. However, for those that aren't afraid to take on a little risk, the returns could be significant.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:TRP (Tc Energy)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/28

Date Created
2018/07/05
Author
djagielski