



## 3 Top Canadian Dividend Stocks for New TFSA Investors

### Description

A balanced portfolio of [dividend-growth stocks](#) held inside a Tax Free Savings Account can help Canadian savers meet their goals of setting aside cash to supplement government and company pension programs in retirement.

Let's take a look at three Canadian companies that might be interesting picks to get the fund started.

#### **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#))

Suncor is Canada's largest integrated energy company with production, refining, and marketing businesses that generate revenue all along the hydrocarbon value chain.

The upstream assets include oil sands and offshore facilities that have the resource base to generate growing production for decades. Suncor took advantage of its strong cash position during the oil rout to acquire additional properties and increased its stake in partnership projects.

In addition, the company recently completed the Fort Hills and Hebron sites. Both locations are ramping up to capacity production ahead of schedule.

With West Texas Intermediate oil prices holding their gains over the past year, it looks like the market is finding some stability, and more upside could be on the way as U.S. sanctions against Iran take effect in the next couple of months.

Suncor recently increased its cash allocation to repurchase shares and raised its dividend by 12.5% for 2018. The current payout provides a [yield](#) of 2.9%.

#### **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#))

Bank of Montreal is Canada's oldest bank and has paid a dividend every year since 1829. The company is becoming more popular with investors who are looking for a bank stock with a balanced revenue stream. Bank of Montreal has strong personal and commercial banking, wealth management, and capital markets groups.

South of the border, BMO Harris Bank operates more than 500 branches primarily serving the U.S. Midwest. Tax cuts, a strengthening U.S. economy and rising interest rates are all benefiting the U.S. operations, which saw adjusted net income jump 34% in fiscal Q3 2018, compared to the same period last year.

The dividend yield is 3.6%.

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

Fortis operates natural gas distribution, power generation, and electric transmission assets in the United States, Canada, and the Caribbean. Major investments in recent years have centred on the U.S. market, and Fortis now sees more than 60% of its revenue generated in that country.

The majority of the assets operate in regulated environments, meaning that cash flow is generally predictable and reliable. This is attractive for dividend investors who rely on steady and growing payouts to build their portfolios.

Fortis has increased the dividend every year for more than four decades, and management says the extensive capital program should support 6% annual growth in the distribution over the medium term. At the time of writing, investors can pick up a yield of 4%.

### **The bottom line**

Suncor, Bank of Montreal, and Fortis are top-quality businesses with strong track records of dividend growth. An equal investment across the three stocks should provide a solid base for a balanced TFSA dividend portfolio.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:FTS (Fortis Inc.)
6. TSX:SU (Suncor Energy Inc.)

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## **Author**

aswalker

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