



## Better Buy for Your TFSA: Royal Bank of Canada (TSX:RY) or TransCanada Corp. (TSX:TRP)?

### Description

The 2018 market sell-off has caused many [value investors](#) to return to the market, as stock prices were pushed down to levels not seen since 2017.

At this point, many investors are wondering where these stocks will go from here and which ones are the better buys.

TFSA investors usually want solid [dividend income](#) as well as strong capital appreciation, coupled with safety and security.

Let's take a look at two stocks that might be interesting picks for your TFSA in 2019.

#### Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

Royal Bank generated \$12.4 billion in net income, an 11% increase in EPS, and an ROE of almost 18%, in a year that continued to solidify the bank's leading position in Canadian banking.

And that's not all.

With a solid, secure, and growing dividend yield of more than 4%, Royal Bank stock pays investors to stick with it through thick and thin.

Fiscal 2018 saw the bank institute an almost 4% annual dividend increase to \$3.77 per and a share buyback of 9 million shares, a testament to this strength.

Royal Bank stock's 10-year stock performance is 252%. This doesn't include dividends, which have grown at a compound annual growth rate of almost 7% in the last ten years.

With continued investment in technology to adjust to the changing demands of its clients, Royal Bank is determined to remain a leader.

Investors can consider Royal Bank for their TFSA to get access to this stable, growing dividend, and a stock that has proven to a beacon of strength in the good and bad times.

**TransCanada Corp.** ([TSX:TRP](#))([NYSE:TRP](#))

For more than 65 years, TransCanada has been developing and maintaining energy infrastructure while handsomely rewarding shareholders.

With a current dividend yield of 5.06%, it's hard to find a safer income stream at these levels than this.

In the last 10 years, TransCanada stock has provided shareholders with a 64% return, while delivering yearly dividend increases, which brought the dividend per share from \$1.52 to \$2.76.

Strong growth indeed.

The recent approval of LNG Canada's proposal to build the LNG plant is another driver for the stock going forward, in that it has resulted in the company moving forward on its Coastal GasLink natural gas pipeline, and it will have a positive effect on investor sentiment toward TransCanada stock as well.

TransCanada has above average, visible growth, and an infrastructure presence that should ensure strong growth well into the future.

Investors can expect continued dividend growth of 8% to 10% through to 2021, making the stock an attractive option for TFSA investors.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
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## TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TRP (Tc Energy)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TRP (TC Energy Corporation)

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