



## Attention TFSA Income Investors: 2 Dividend-Growth Stocks That Still Look Oversold

### Description

The rebound in the TSX Index in January has eliminated many of the great deals that were available in the market, but some top-quality dividend stocks still appear attractively priced today.

Let's take a look at two companies that might be interesting picks for your [portfolio](#) right now.

### TC Energy ([TSX:TRP](#))([NYSE:TRP](#))

TC Energy is the new name for TransCanada Pipelines. The management team decided it was time to shift the branding of the company to better reflect the overall business.

Given the challenges in the Canadian oil patch and the difficulties pipeline companies are having with opposition to large projects, the move probably makes sense. TC Energy does operate in Canada and has oil pipeline assets, but it is also a major natural gas infrastructure and storage company with assets throughout the United States and Mexico. In addition, TC Energy has significant power-generation businesses.

The stock has bounced off the December low near \$48 to \$55 per share, but it should have more upside to offer buy-and-hold investors. The company's \$36 billion capital program is among the best in the industry, and management anticipates revenue and cash flow will grow enough to support ongoing dividend increases of 8-10% in the near term.

The current payout provides a yield of 5%.

### Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

CIBC bottomed out around \$100 per share on December 24. Investors who filled their stockings with the shares are already up 9%, and the recovery could have much further to run. In September, CIBC was a \$124 stock.

Concerns about a potential meltdown in the Canadian housing market are likely overblown, especially now that it looks like the Bank of Canada and the U.S. Federal Reserve might sit on their hands in 2019. Some pundits are even calling for a rate cut as the next move.

CIBC has made progress on its efforts to diversify its revenue stream through the \$5 billion purchase of Chicago-based PrivateBancorp.

The stock still trades at less than 10 times trailing earnings, which seems pretty cheap given the profitability of the bank and the ongoing strength of both the Canadian and U.S. economies.

At the time of writing, investors can pick up a healthy 5% dividend [yield](#) with a shot at some nice upside in the stock price if equity markets continue to recover.

## The bottom line

TC Energy and CIBC are top-quality TSX Index stocks with growing dividends that offer above-average yield. They are not as cheap as they were a month ago, but still look attractive at the current prices.

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1. Investing

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1. Editor's Choice

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aswalker

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