2 Dividend Stocks That TFSA Investors Should Buy Now

Description

The Canadian market is finally starting to see some upward movement again. A few of you may have actually achieved the “buy low” part of the “buy low, sell high” equation, and are excited to see that your investments are currently paying off.

If you didn’t get in on dirt cheap stocks, there’s not only still a chance to make some money, but also to get some guaranteed funds in your pocket. That’s right, I’m talking dividends.

There are a number of great reasons to have dividends in your portfolio. First, dividends offer guaranteed income every quarter, like a pay cheque; dividend stocks don’t rely on capital gains; dividends are usually offered by financially healthier companies. If the markets go down again, dividends will give you some confidence knowing you’ll still have cash coming in while you wait for a rebound.

It’s never been a better time to buy dividend stocks. There are some blue chip stocks out there just begging to be picked up, and two safe sand savvy options are **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) and **Wheaton Precious Metals Corp.** (TSX:WPM)(NYSE:WPM).

Eating up Enbridge

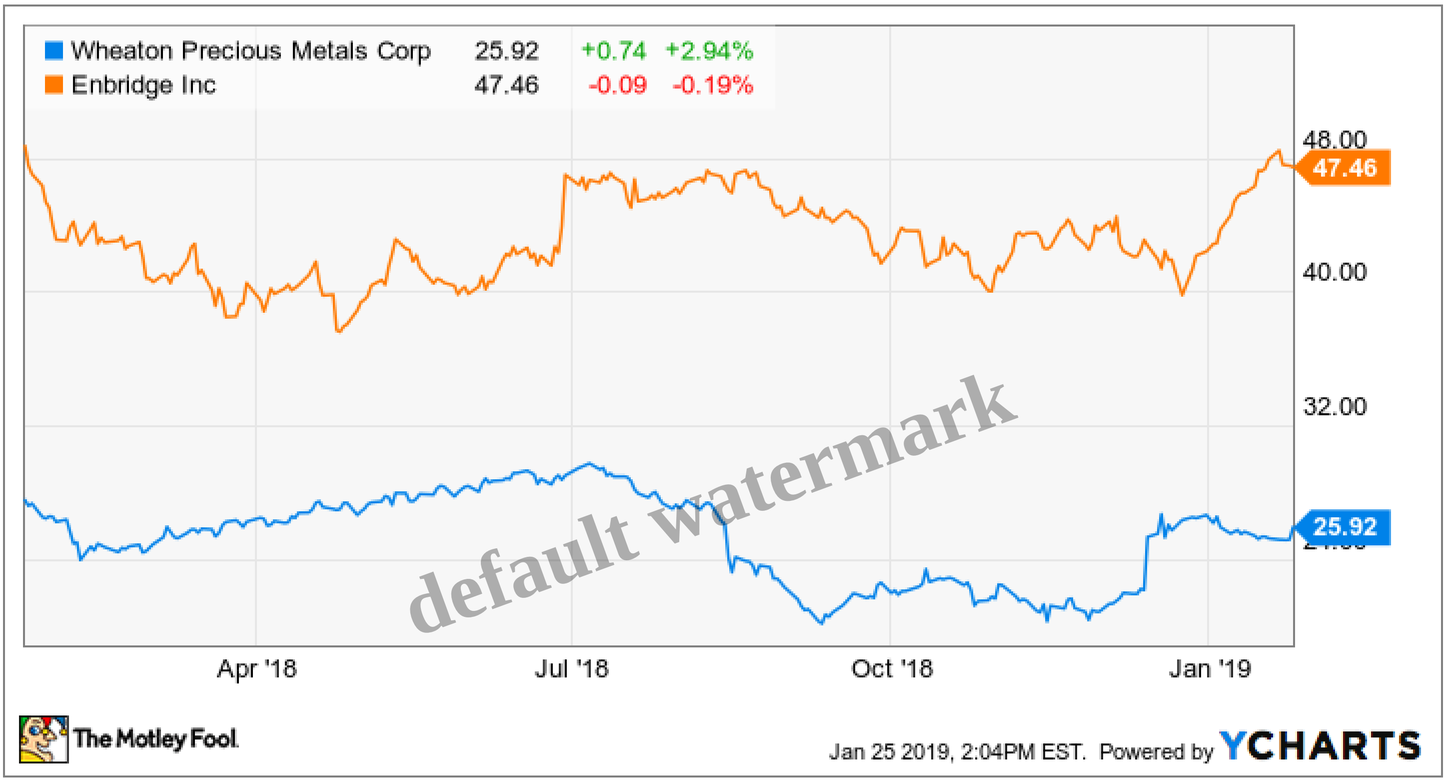
You’ve likely seen plenty of articles recommending Enbridge as a “buy” right now. The stock is far below its fair value estimate of around $55 per share, according to analysts, with shares likely to reach $60 by the end of this year.

But Enbridge is also a fantastic choice for investors looking to go on the defensive with a solid dividend yield. And honestly, every portfolio should have at least one stock producing a dividend.

Enbridge is at the top of that list because it’s been dishing out a dividend for 64 years. As of writing, that dividend yield sits at 6.21%, or $2.95 per share, which is a staggering three times higher than the market average.

Investors should be excited for the future of this yield as well. Enbridge has increased its dividend every single year for 23 years, with an average of 10% year over year. That doesn't look like it'll go down any time soon, as the company believes its growth outlook will give shareholders a 10% growth in dividends every year until at least 2020.

The company is set to produce its next earnings report on February 15, and analysts are expecting more strong results. Enbridge is North America's largest pipeline operator, with more expansion and acquisitions coming down the pipe (pun clearly intended). This should make investors excited to buy this stock so low and see it go so high.



WPM data by YCharts

Precious Wheaton

While Enbridge may be an obvious choice, a cheaper but just as strong stock is Wheaton Precious Metals. This company is almost half the price of Enbridge, but still has the growth potential of both its shares and its dividend.

Like Enbridge, this stock is definitely undervalued. Share are selling at about $25 right now, but a fair estimate is more around $30. The stock could easily reach $40 by the end of this year, according to analysts.

While Wheaton doesn't have the 64-year history of Enbridge, sitting at only eight consecutive years of paying dividends, it still has a strong dividend that's set to increase in the years to come. The company currently offers a dividend of 1.91%, which is nothing to sneeze at given that you can afford to buy a bunch of these shares.

And honestly, now is the time to buy. The stock is just starting to edge up again, and investors could see some leaps in the near future. Wheaton is unique in that it focuses on providing startup costs for mines, and then buys those precious metals produced by the mines at far below wholesale prices, which has brought its operating costs to incredibly low levels. Its most recent deals have diversified the company to include cobalt and palladium along with silver and gold.

Bottom line

Both of these companies are perfect options for diversifying your portfolio and getting some dividends into the mix. Should the markets go down again, you can be confident in these two stocks. Each stock will rebound along with the markets if you just have some patience. In the meantime, both offer a strong dividend that'll boost your bottom line.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:WPM (Wheaton Precious Metals Corp.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:WPM (Wheaton Precious Metals Corp.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

Date
2025/08/25
Date Created
2019/01/27
Author
alegatewolfe