



1 Top Oversold Dividend Stock and 1 Top Anchor Dividend Stock for Your TFSA Retirement Fund

Description

The importance of opening a TFSA and using up the full allowable limit, which is \$6,000 for this year and 63,500 cumulative, cannot be overstated.

Whether you are close to taking full advantage of this tax-free account or you are just beginning, setting aside a portion of your income for this purpose is a useful endeavour.

For Canadians looking for top dividend stocks for their TFSA [retirement fund](#), keep the following dividend stocks in mind.

AltaGas Ltd. ([TSX:ALA](#))

Let's start with what I believe is an oversold [dividend stock](#) with big potential for capital appreciation.

The long-awaited dividend cut and credit rating downgrade are behind the company, and after a downward spiral, AltaGas stock is recovering.

Now that the dividend and the stock price has effectively been reset, the future is actually looking good.

The stock is up 23% from its December lows and currently has a dividend yield of 6.47%, with a payout ratio next year of approximately 50%.

Going forward, a focus on gas midstream and regulated gas utilities should drive solid cash flow growth, as the company focuses on achieving synergies from WGL acquisition, and as WGL's high-quality assets and market position brings the company many growth opportunities and accretion.

The recent approval of LNG Canada's project bodes well for AltaGas stock, both in terms of market sentiment and actual volumes that will ultimately come through AltaGas Montney facilities.

AltaGas' diversified infrastructure platform of high quality assets is mostly under long-term contracts.

While the company has been anything but confidence-inspiring, its rating remains investment grade and its business should be a stable, defensive business on a long-term basis offering investors a long-term dividend-paying stock.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#))

As a North American leader in the regulated gas and electric utility industry, Fortis boasts a history of long-term profitable growth and stability.

Its asset base of regulated, low risk and diversified projects makes it clear why.

With 92% of its earnings coming from regulated utilities, investors can count on predictability from this dividend stock.

Shareholders have enjoyed 44 years of consecutive dividend increases and, according to the company's plan, investors can expect a 6% annual average growth rate in dividends through to 2021.

The dividend yield is currently just over 3.84%, and the stock is trading just under \$47 at the time of writing.

Final thoughts

Adding these dividend stocks to your TFSA retirement fund will provide you with steady, stable dividend income well into the future.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/07/08

Date Created

2019/02/16

Author

karenjennifer

default watermark

default watermark