3 TSX Dividend Stocks That Are Perfect for Retirement

Description

High-quality dividend stocks are a retiree's best friend. These investments provide a consistent income stream, which can replace a portion of pre-retirement earned income. The reliability of dividends can also provide peace of mind to investors who are nervous about the high levels of volatility in the market.

Today, I'll highlight three companies that currently pay healthy dividends and should be able to continue their payouts, regardless of short-term market concerns.

Financial Services

Manulife Financial (TSX:MFC)(NYSE:MFC), which provides international financial services primarily in Canada, the United States, and Asia, is currently paying a dividend of 4.3%. The stock trades at 7.9 times forward earnings, one times book, and 0.9 times sales. As of this writing, the stock was trading just over $23, well within its 52-week range of $18-$25.

Although its operations in Asia might be of some concern in the near future due to trade tensions within the region, the long-term outlook is bright. Recently, the company announced it has unified its institutional, retail and retirement wealth, and asset management businesses into a new brand, Manulife Investment Management.

This new name will be used across the globe, with the exception of the U.S., where it will continue to be recognized as John Hancock Investment Management. The company hopes that by creating a new brand, it will be able to extend its strengths deeper into existing channels while positioning it to take advantage of a unified global brand for future expansion, especially into the Asian markets.

Utilities

Fortis (TSX:FTS)(NYSE:FTS), an electric and gas utility company with operations in Canada, the United States, and the Caribbean, has been on a roll this year. The stock has climbed over 11% YTD, trading near $51 as of this writing. The stock currently pays a dividend of 3.6%. What makes this dividend attractive is that the company has achieved 45 consecutive years of dividend growth.

The company has announced an aggressive $17 billion capital-investment plan over the next five years . And with that announcement, Fortis expects to continue its dividend growth at a rate of 6%.

Telecom

BCE (TSX:BCE)(NYSE:BCE) is also having a great year. As of this writing, the stock is trading above $60, near its all-time high and up significantly from $53 at the beginning of the year. BCE, Canada's largest telecom company, pays a dividend of 5.3%, one of the highest dividends in the industry.

BCE is consistently able to grow its revenue year over year, and with its steady stream of deployable capital, it is adopting 5G technology faster than any other telecom company in Canada. The company believes this level of growth is sustainable and expects to continue its 5% compounded annual dividend increase.

The bottom line

Regardless of which way you believe the market is headed in the short term, investors can count on the dividends from high-quality stocks to provide lucrative income streams in retirement. Companies like Manulife, Fortis, and BCE, which are growing in their respective industries, have higher-than-average dividends, and histories of reliable dividend increases, are excellent choices for a retiree's portfolio.

CATEGORY

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:MFC (Manulife Financial Corporation)
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