



TFSA Cash Cows: 2 Top Dividend Stocks

Description

Income investors who have Tax-Free Savings Accounts (TFSAs) love nothing more than investing in shares that offer regular income. A steady revenue stream goes into your TFSA, accruing a significant amount in the account over the long haul. Since the investments cannot be tasked, some investors feel tempted to hold shares offering quick rewards with higher risks in TFSAs.

I think TFSAs are better for long-term savings. Instead of thinking about volatile stocks that can potentially offer you massive returns (or huge losses), you should invest in safer options. If you want to become wealthy in the long run, you should set your eyes on stocks that have strong potential for growth and have a better chance of growing earnings and dividends.

If you are not sure about the stocks you can consider to this end, I might have two promising candidates for you. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) might be the two stocks to fill this role for your TFSA.

Energy stock giant

Enbridge is perhaps one of the cheapest stocks to consider on the TSX right now. When investors think of affordable stocks, they traditionally have to wait for the business to come back from a slow run of performances. They can reap its benefits as the company rises again. Enbridge stocks are entirely different in this regard.

The company makes money by shipping oil and gas. The more oil and gas Canada produces, the higher the demand for their pipelines will be. The prices of oil and gas themselves do not affect Enbridge's income. The company is [running at full steam right now](#), and investors are receiving a stable dividend with a 6.25% yield at the time of writing.

Trading for \$47.42 per share (at the time of writing), Enbridge stocks presents itself as a strong candidate due to favourable trends for the Canadian energy sector in the long run. The slow and positive growth for the overall industry means more business for ENB moving forward. The company's shares are, subsequently, a bargain at the current price, and it's a potentially great long-term stock.

Longest dividend payer

Bank of Montreal is the first company on the TSX that started paying dividends to shareholders [over 190 years ago](#). BMO has paid investors dividend payouts diligently throughout this time to create a strong reputation. Since dividend-paying stocks present the best option for TFSA's, BMO is as good an option as any.

To this day, the \$62 billion market capitalization bank is considered to be one of the friendliest companies for investors of all kinds. This massive streak of paying dividends means that BMO paid investors even during the 2008 financial crisis — a time where a lot of major U.S. banks requested bailouts.

Going back further, there was a time where global stock markets were recovering from massive losses of English banks in Latin American credit markets in 1829. The crisis saw directors of BMO considering whether or not they should pay shareholders dividends to aid a recovery process for an international financial crisis.

BMO's directors decided to pay dividends. The decision to pay investors dividends in 1829 started a tradition to pay dividends. To date, there are no hints that BMO will break tradition, nor any signs that the bank will cut dividends at a robust 4.9% yield. BMO continues to reward shareholders through thick and thin.

Foolish takeaway

Enbridge shares are trading for \$47.42 at the time of writing, while Bank of Montreal stocks is trading for \$97.42. ENB has promising prospects, and BMO's historical tradition of paying dividends diligently suggest that both stocks could be perfect to consider holding in your TFSA.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)

2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:ENB (Enbridge Inc.)

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