1 TFSA High-Yield Dividend Stock to Buy and Never, Ever Sell

Description

When it comes to safe stocks, few companies come close to the Big Six. The Canadian banks have always enjoyed a dominant position in the TSX and the hearts of the investors. The banks are safe, growing, and generous dividend payers. All six are Dividend Aristocrats with a stellar dividend history and decent payouts.

This combination of dividends and safety makes Canadian bank stocks the perfect match for your TFSA — especially if you are looking for companies that you can buy and forget about. Because you can be sure about the dividend payouts and steady growth, though all the banks have sound merit, **Bank of Montreal** (TSX:BMO)(NYSE:BMO) has caught my eye as a stock that you might never have to sell.

Why BMO?

In terms of market cap, Bank of Montreal stands at the fourth position among the Big Six, with the current market cap of $64.64 billion. And though it has a habit of falling behind its bigger peers, this year's growth of Bank of Montreal has been better than **Royal Bank**, **Toronto Dominion**, and **Bank of Nova Scotia**. The market value of Bank of Montreal has grown by almost 14% this year.

This growth is a bit off from Bank of Montreal's general performance compared to the sector, but it might also be an indicator of better things to come. The bank is also the most sheltered against a local housing market crash since it has the least stake in it amongst the Big Five.

When it comes to diversification, Bank of Montreal has a good three-to-seven ratio of local and U.S.-based earnings. Almost 30% of the bank's revenue is generated across the border. The bank is also focusing on its wealth management business in the country as well as the U.S. and its other markets (Asia and Europe).

This year, the bank's wealth management sector made up for 22% of its revenue generated. BMO is also the second-largest asset manager in the sector.

History of dividends

Even among the generous dividend-paying banking sector, Bank of Montreal is in a class of its own. It has a proud history of paying out dividends for 191 years, a record longer than any other company in the country. The bank has also been increasing its payouts for the last eight consecutive years. Currently, the bank is offering a juicy yield of 4.19% — third among the Big Six.

In your fully funded TFSA of $69,500, Bank of Montreal will earn you $242 a month. If we consider the bank's history of payouts, it's highly unlikely that it will slash its payouts in the future. This means that Bank of Montreal will make a dependable and reliable revenue stream with your TFSA.

Foolish takeaway

Currently, the bank is trading at $101 per share — a bit low from its fair value. It might be the right time to snap this high-yield stock in your TFSA and then forget about it. You can depend upon the dividend payouts, but you might also be rewarded with a significant increase in capital gains if the bank continues its growth streak of this year.

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