



TFSA Investors: 3 Canadian Dividend Stocks to Buy and Hold Forever

Description

Buying Canadian dividend stocks in a TFSA is a great idea, as you'll receive dividends free of taxes and profit from potential share price appreciation. While a savings account will rarely pay you more than 1% or 2% in interest, there are many dividend stocks that have much higher yields.

BTB REIT ([TSX:BTB.UN](#)), **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are three low-risk stocks that you should consider adding to your TFSA for extra income.

BTB REIT

BTB REIT owns retail, office, and industrial properties in eastern Canada.

The company pays a monthly dividend of \$0.035 per share. At the current share price, that gives BTB stock a dividend yield close to 8%. Many ultra-high yielders these days are beaten stocks. After all, with any cash payment, there is an inverse relationship between a company's dividend yield and its share price.

But BTB is not a beaten stock. Although it offers a more generous payment than most stocks on the market, BTB stock has actually experienced an upward trend.

BTB offers a distribution-reinvestment plan that allows shareholders to reinvest their monthly cash distributions in additional BTB shares at a price based on the weighted average price of the stock for the five days preceding the distribution date, discounted to 3%.

On June 25, 2019, the Montreal-based REIT announced the acquisition of two properties on the South Shore of Montreal for \$62.2 million.

BTB REIT announced on February 4 it has purchased for \$21.75 million an office building in Ottawa near Highway 417 and Greenbank Road, bolstering the company's portfolio in the National Capital Region.

CIBC

Among the Big Six banks, CIBC has the highest dividend yield, with a yield of 5.2%. CIBC is a Canadian Dividend Aristocrat and last increased its dividend by more than 2%. The bank has increased its dividend by a CAGR of 7% per year over the past five years and now pays a quarterly dividend of \$1.44 per share.

CIBC aims to pay 40% to 50% of its [income](#) in the form of dividends and to increase its income from 5-10% per year. The bank is also considering an attractive share-buyback option to return capital to its shareholders and repurchased one million common shares during the last quarter.

CIBC will cut an undisclosed number of jobs in the coming months, as the lender seeks to limit spending and continue to improve efficiency. The bank's efficiency ratio was 55.5% at the end of the year compared to 60.4% in 2015.

Chief executive Victor Dodig continues to identify opportunities to simplify the bank and work differently, including streamlining decision making.

BCE

On February 6, Bell Canada announced it has signed its first 5G wireless network provider agreement with **Nokia** of Finland, a global rival of Chinese Huawei and **Ericsson** of Sweden.

The announcement by Canada's largest telecommunications company came as its parent company, BCE, increased its dividend and announced that its [fourth-quarter profit](#) increased more than 10% from the year before.

The company has announced that it will increase its quarterly dividend by 5% to \$0.8325 per share. The dividend yield is now close to 5%.

The increase in payment occurred when BCE reported profit attributable to common shareholders of \$672 million, or \$0.74 per share, for its fourth quarter, up from a profit of \$606 million, or \$0.68 per share, a year ago.

On an adjusted basis, BCE says it gained \$0.88 per share for the quarter, down from adjusted earnings of \$0.89 per share a year ago due in part to an increase in the number of common shares outstanding.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BCE (BCE Inc.)
4. TSX:BTB.UN (BTB Real Estate Investment Trust)
5. TSX:CM (Canadian Imperial Bank of Commerce)

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Author

sbchateauneuf

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