



TFSA Investors: 2 Super-High Yielding Stocks!

Description

While the stock market continues to bounce around, long-term investment opportunities are arising. For TFSA investors, there are some solid dividends available at palatable prices at the moment.

In the long run, blue-chip [dividend stocks](#) generally outperform other types of stocks. This is because over time, the compounding of re-invested dividends grows the investment exponentially.

For TFSA investors, this total return potential is amplified even further due to the tax savings over time. As such, those looking to invest for the long term should be scouting out top dividend stocks to scoop up.

Today, we'll look at two dividend heavyweights trading on the TSX that investors should keep an eye on.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a major [telecom company](#) operating in Canada. It provides internet, TV, and mobile services to customers across the country.

Plus, it's recently been growing its Telus Health division, where the company is making innovations with new ways to provide healthcare to Canadians.

As of writing, Telus is trading at \$22.56 and yielding 5.16%. That yield is appealing to TFSA investors. Despite recovering a bit in recent weeks the stock was trading as high as \$27.68 in mid-February, so it's still fallen quite a bit.

It's worth noting that while Telus's yield exceeds the five-year average, the current P/E ratio is right about on par with the trailing figure. This suggests that general sentiments around Telus's value haven't changed much, and the drop in price can be attributed to simply a (hopefully temporary) drop in earnings.

For a TFSA investor, getting Telus at decent value with an outsized yield is a relatively attractive long-term move. In fact, an investment of \$20,000 in Telus now could turn into nearly \$100,000 in a TFSA in 20 years, assuming a 3% annual growth rate on both the share price and yield.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is another major Canadian telecom company and, in fact, the largest by market cap.

Recently, it's been focused on expanding its media holdings, and furthering its reach in provinces like Quebec.

At the time of writing, this TFSA investor favourite is trading at \$55.29 and yielding 6.02%. Like with Telus, BCE has fallen quite a ways from its mid-February levels, despite climbing back up recently.

This stock is currently trading with a slightly cheaper P/E ratio than the trailing figure, and its yield is larger than its trailing counterpart as well. As such, if you feel BCE's dividend is safe, you can pounce now to secure a high yield at a relatively cheap price.

As a TFSA investor, this opportunity has potential for high returns in the future. Assuming the same growth rates as with Telus (some may be willing to assume higher rates for BCE anyway), that same investment of \$20,000 could become nearly \$110,000 in 20 years.

TFSA investor strategy

Of course, both BCE and Telus are facing challenges in today's economy. On top of that, they've both been mandated to cut prices on phone plans.

However, the release of 5G in Canada is on the horizon. So, that should give investors hope for growth in the future. Plus, both companies are expanding in other sectors that will drive growth as well.

If you're a TFSA investor looking to pick up a blue-chip stock, consider these two. Both of these TSX heavyweights are offering decent value with high yields.

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Author

jagseguin

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