Dividend Investing: 2 TSX Stocks to Bank On

Description

With markets still bouncing around, long-term investors can pick up cheap stocks. In particular, those focused on dividend investing can now lock in big yields.

Now, saying that one can “lock-in” a yield might be a strong verb to use, as it implies that the yield is safe from cuts during this tough economic time.

However, investors can in fact find stocks with these (relatively) safe yields during these times. The key is to search for blue-chip stocks that haven’t seen large material changes in the way they do business.

Today, we’ll look at two TSX stocks perfect for long-term dividend investing. Their yields have long been stable and investors can rely on them.

TD

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of the major Canadian banks. It offers a wide range of products and services to its customers across multiple countries.

TD reported earnings recently and missed the mark compared to expectations from analysts. In turn, the stock is trading slightly lower today.

Now, I doubt it’s overly shocking for a stock to miss earnings considering the current economic climate. Nonetheless, it may be cause for concern for some investors.

However, for those focused on long-term dividend investing, TD is still one of the strongest TSX stocks around. It has an iron-clad balance sheet and is well capitalised overall.

The bank has a diverse stream of cash flow and is one of the best banks when it comes to mitigating its risks. Over a long horizon, this slight short-term under-performance shouldn’t be more than a blip on the radar.

As of writing, TD is yielding 5.28%. Quite simply, it's rare that investors can snag this type of yield with TD. Given TD's commitment over its history to maintaining and growing its dividend, getting in at this point is an attractive dividend investing move.

RBC

Royal Bank of Canada (TSX:RY)(NYSE:RY) is another major Canadian bank. In fact, it's the largest by market cap. It also serves its global customers in many different ways.

As with TD, RBC recently reported some slight misses in its earnings with more provision measures taken as well. As such, it's trading slightly down today as well.

Once again, it shouldn't be completely shocking to investors to see RBC slightly whiff on earnings. That's probably why we're seeing a slight dip in the price rather than a 2-4% drop.

Regardless, if you're looking at long-term dividend investing, you should still be feeling positive about RBC. It too has diversified streams of income and is well-positioned to ride out an economic downturn.

Currently, RBC is offering investors a 4.76% yield, which is quite high compared to its recent offerings. This type of yield paired with RBC's renowned stability is a winning recipe for any dividend investing plan.

Dividend investing strategy

Either of those stocks are attractive choices for dividend investing. Not only are they both offering juicy yields, but they have great track records for stability during turbulent times.

For investors with long investment timelines, locking in the big yields these stocks are offering is a winning play. If you're looking at making a dividend investing play, keep these stocks near the top of your shopping list.

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