TFSA Investing: 3 TSX Dividend Stocks to Buy

### Description

As the stock market remains unsettled, long-term buying opportunities are popping up. In particular, those focused on TFSA investing can find massive yields today.

Over time, with the combined power of compounding and tax savings, dividend stocks will generate huge returns in a TFSA.

However, it's vital that investors choose the right dividend stocks for their TFSA investing plan. Especially during these times, the stock must have a proven track record for sustainability through tough times.

Nothing can throw a wrench in your plan quite like a massive cut in dividends. So, investors must search for solid blue-chip stocks that are paying large but reliable yields.

Today, we'll look at three such **TSX** stocks that investors can hang their hats on.

## BMO

**Bank of Montreal** (TSX:BMO)(NYSE:BMO) is a major Canadian bank. It has a strong presence in both the U.S. and Canada, and offers a wide variety of banking products and services.

Due to recent market pressures, BMO is trading at a low price. It's currently trading at $68.04 and yielding 6.23%.

Despite short-term concerns with BMO's earnings, the balance sheet is solid and BMO is well capitalised. Management is prepared to weather an economic downturn and maintain its dividend.

Personally, I wouldn't be betting that Canadian banks are going to massively struggle for an extended period. Sure, banks are hurting right now as loan losses pile up but there is more than enough liquidity available to these institutions.

For those focused on TFSA investing, BMO's yield is quite attractive. Over time, it could make for massive total returns within a TFSA.

## Bell

**BCE** (TSX:BCE)(NYSE:BCE) is a major Canadian telecom company. It's part of the big three and has a strong grasp on the Canadian market.

Bell has recently felt the pressures of a declining economy, but is still looking to expand. It's recently made some moves to further its reach in Quebec's media and entertainment space.

Plus, as 5G services roll out across the country, Bell stands to reap the benefits of being a market-leading mobile service provider.

As of writing, Bell is trading at $57.07 and yielding 5.83%. For anyone looking at TFSA investing, that's a massive yield given that it's paired with Bell's solid track record for growth and stability.

Over time, the upside in share price combined with the near-6% yield makes Bell a solid pick for long-term investors.



## Defensive TFSA investing: Fortis

**Fortis** (TSX:FTS)(NYSE:FTS) is a large Canadian electric utility provider. It operates across North America, the Caribbean, and Central America.

Fortis is much more of a defensively-positioned stock than Bell or BMO. Nearly all of its revenues come from regulated contracts, and as such, its earnings are predictable and dependable.

This is certainly a stock for those who are more risk-averse in their TFSA investing strategy. Fortis helps shield you against the ups and downs of the market.

To pay for that safety, however, you have to accept a much smaller dividend than with other blue-chip stocks. Currently, Fortis is offering a 3.6% yield to investors.

## TFSA investing strategy

Depending on your risk tolerance, any of these three TSX dividend stocks could be the right pick for your TFSA investing plan.

With BMO and Bell, you can get higher yields, but with a little bit more uncertainty baked into the short-term outlook. With Fortis, you get a much smaller yield, but you are more protected against the market swings.

For anyone with a long enough investment horizon, the rewards far outweigh the risks when it comesto stocks like BMO and Bell. Because of their big yields, they will simply blow Fortis' total returns out ofthe water given a long enough timeline.

If you're looking at building a TFSA investing strategy, keep these three stocks in mind.

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1. Bank Stocks
2. Dividend Stocks
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**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:FTS (Fortis Inc.)



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