
TFSA Investing: Earn $350 Tax-Free Per Month!

### Description

With the stock market rather unsettled as a whole, buying opportunities are plentiful. For those looking at TFSA investing, there are some juicy yet reliable dividends available.

In particular, blue-chip stocks like Canadian banks are offering outsized yields at relatively decent prices. Over the long term, these stocks offer great total return potential as a result.

Holding these stocks in a TFSA also helps add to that long-term return potential. In fact, over a long enough horizon, the TFSA has a massive tax-saving advantage over a standard taxable account.

Today, we'll look at two TSX stocks that are perfect for TFSA investing with solid value propositions on offer.



## Scotiabank

**Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is a major Canadian bank. It offers an assortment of services to retail and commercial customers. Scotiabank is taking an international approach, with a strong and growing presence in Latin America.

The bank reported earnings recently and seemed to have its damage under control. Its loan loss provisions rose but didn't shoot up like for some of the bank's peers. Plus, the bank has remained fully operational.

As of writing, Scotiabank is trading at $57.48 and yielding 6.27%. With such a great track record for growing its dividend, that yield should be attractive for those focused on TFSA investing.

With that yield, an investment of $69,500 would generate about $4,360 in dividends in a single year, which works out to roughly $360 per month.

While there are certainly challenges ahead for Scotiabank, its solid balance sheet and track record should instill confidence in investors. Especially over the long run, these short-term hiccups will be merely bumps in the road.

## BMO

**Bank of Montreal** (TSX:BMO)(NYSE:BMO) is another major Canadian bank. It has solid footing in the U.S. market on top of its Canadian presence.

Like most other stocks, BMO has been hit hard by the market crash. On February 26, BMO was trading at $95.70. By March 23, the stock was priced at $56.24.

Today, BMO is trading at $70.56 and yielding 6%. So, while the stock has recovered well from the market bottom, it still has a ways to go to even return to pre-crash prices.

For those looking at long-term TFSA investing, that helps make BMO an attractive buy. Not only is there a big yield on offer, but there's some amazing upside in the share price as well.

With a 6% yield, an investment of $69,500 would generate about $4,170 in dividends in one year, which is about $350 per month.

It's worth noting that the monthly calculations are for demonstration only, as Scotiabank and BMO both pay dividends quarterly.

BMO, like Scotiabank, has a solid balance sheet. Plus, BMO has taken a good approach in the U.S. with regards to expansion.



With long-run TFSA investing in mind, BMO has a lot of upside.

## TFSA investing strategy

Either one of these blue-chip bank stocks will offer you a great yield. Both have solid underlying financials and look prepared to weather an economic storm.

Both Scotiabank and BMO can net you roughly $350 in dividends per month, paid quarterly. If you're looking at stocks to add to your TFSA investing plan, keep an eye on Scotiabank and BMO.

**CATEGORY**

1. Bank Stocks
2. Investing

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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BMO (Bank Of Montreal)
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