Dividend Investing: 4 TSX Giants to Watch

Description

While the stock market continues to be volatile, long-term investors can still find attractively-priced stocks. In particular, those focused on dividend investing can find massive yields on offer with various blue-chip stocks.

Now, there's still cause for concern in the short run for stocks. However, investors looking at a very long investment horizon can still comfortably pick dividend superstars.

Of course, these stocks need to be well equipped to withstand forthcoming economic pressures. A strong balance sheet and a reliable dividend are must-have characteristics.

Today, we'll look at four TSX dividend investing giants that could be solid long-term plays.

CIBC

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is headquartered in Toronto and is one of Canada's major banks.

As with most stocks, CIBC has been dragged down with the market. As of this writing, it's trading at $94.03, and its yield of 6.21% make it a perfect candidate for dividend investing.

While quarterly earnings growth and quarterly revenue growth are both down, this type of damage was to be expected. CIBC still has great access to liquidity and a strong enough balance sheet to navigate a tough economy.

For long-term investors, getting a yield in excess of 6% with a top stock like CIBC is an attractive proposition.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is one of the slightly riskier picks when it comes to dividend investing. While the energy transportation giant is currently yielding 7.5%, there's no question that Enbridge's market is in for tough times.

Recent struggles have seen Enbridge's payout ratio skyrocket up to a whopping 308.57%, raising fair concerns regarding Enbridge's ability to continue its handsome dividend.

While the company has a great track record for dividend performance in the past, the rocky road ahead casts some doubt this time around. The reward is there, but so is the risk.

BCE

BCE (TSX:BCE)(NYSE:BCE) is an integrated holding company for Bell MTS and Bell Canada. Through its various segments, it offers TV, internet, media, entertainment, mobile phone and other services.

At the time of writing, BCE is trading at $57.72 and yielding 5.77%. This large yield offering comes on the heels of BCE hiking its dividend by 5% back in February.

While BCE has some challenges ahead, there are bright spots as well. It announced its partnership with Nokia to deliver 5G services to Canadians later this year. BCE will look to continue to possess top of the line infrastructure and network support.

Defensive dividend investing

Fortis (TSX:FTS)(NYSE:FTS) is a more defensive dividend investing pick. It mainly draws revenue from regulated utility contracts and as such is a stable and reliable stock.

As of this writing, Fortis is trading at $53.35 and yielding 3.64%. While its yield pales in comparison to the others mentioned above, this is in part the price investors must pay for the extra safety Fortis offers.

With a beta of 0.06, Fortis stock is highly resilient to market pressures and swings. Investors looking to shield against a market downturn might be more comfortable with a dividend investing stock like Fortis.

Dividend investing strategy

CIBC, Enbridge, Bell, and Fortis are all TSX dividend heavyweights. Currently, they're offering outsized yields that could generate great total returns in the long run.

Among the four of them, some might be riskier in the short term than others. So, it's important for investors to accurately align their stock picks with their own risk profile.

If you're looking at adding to a dividend investing strategy, these four stocks are worth exploring.

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