



## Got \$10,000 to Invest? 3 Reliable Dividend Stocks for Steady Income

### Description

Stocks rebounded significantly in the past three months, but deals are still available for [dividend investors](#) searching for reliable income.

Let's take a look at three **TSX Index** stocks that might be interesting picks for your [TFSA](#) buy list.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is a leading player in the Canadian communications industry. The company has world-class wireless and wireline networks that provide retail and commercial customers with mobile, internet and TV services.

Telus avoided the temptation to pump billions of dollars into media assets and pundits continue to debate whether this is a long-term negative for the stock. To date, however, the lack of sports teams, radio stations, or a television network isn't hurting the company.

Telus put its money toward another initiative that's now in the spotlight. Telus Health was already Canada's leading provider of digital health solutions before the pandemic. Lockdowns forced many health providers to embrace the company's products and services and the trend could expand well beyond the current crisis.

Telus has a strong track record of dividend growth and investors might still see an increase before the end of the year. At the time of writing the stock provides a 5% yield.

### Royal Bank

**Royal Bank** ([TSX:RY](#))([NYSE:RY](#)) is a very profitable business, even in the current environment. The bank reported fiscal Q2 2020 net income of \$1.5 billion. This is down from about \$3 billion in the same period last year due to provisions for credit losses (PCL) connected to potential defaults.

It is important to note that the bank might not actually lose the full \$2.8 billion it set aside for PCL. A strong economic recovery through the end of the year could result in lower than expected loan losses. A second COVID-19 wave or persistently high unemployment might lead to additional provisions.

While risks remain, the stock appears attractive for buy-and-hold investors. Royal Bank has a strong capital position that will enable it to ride out the recession. Investors could also see the bank make another strategic acquisition to boost its presence in the United States.

The dividend should be very safe and provides a 4.5% yield.

## TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is a giant in the North American energy infrastructure sector with \$100 billion in assets. The majority of the company's comparable EBITDA is supported by regulated assets or long-term contracts. This means cash flow should be reliable and predictable.

TC Energy has a \$43 billion secured capital program. Some projects face headwinds, such as the U.S. portion of Keystone XL, but the majority should progress as planned in the coming years.

As new assets go into service, TC Energy expects to see cash flow increase enough to drive regular dividend hikes. The board intends to raise the payout by 8-10% in 2021 and 5-7% in the following years.

The stock is still well below the 12-month high and provides a 5.4% dividend yield.

## The bottom line

Telus, Royal Bank, and TC Energy are leaders in their respective industries and should be solid buy-and-hold picks for a dividend-focused portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TU (TELUS)
3. TSX:RY (Royal Bank of Canada)
4. TSX:T (TELUS)
5. TSX:TRP (TC Energy Corporation)

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