Dividend Investing: 2 Stocks to Buy and Hold

Description

Uncertainty and fear in the stock market has made for a somewhat stagnant market as of late. However, some dividend investing stocks are still available at relatively cheap levels with good value.

For those focused on dividend investing, the near-term performance of the stock market isn't too consequential. Instead, it's ideal to focus on the long-term stability and return potential of these stocks.

Of course, the effects of the global pandemic can't simply be ignored. So, the key is to pick dividend investing stocks that have the financial resilience to weather the storm now. Then, on top of that, these stocks need to have big yields on offer to help generate great total returns over time.

Today, we'll look at two TSX giants that investors can comfortably buy and hold for long-term gains.

Rogers

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is a major player in the Canadian telecom space. It offers customers landline, mobile phone, TV, and internet products and services.

Like most other stocks, this dividend investing star was hit hard during the market crash in March. The share price has since recovered to $56.50 as of this writing, but it still lags the $64.54 price point the stock traded for at the beginning of the year.

Business has lagged for the telecom giant, as year-over-year quarterly revenue growth has sagged to -4.8%.

However, it isn't all bad news for this stock. The company has been working to deliver crucial online and digital services as Canadians shift to heavy work-from-home routines.

As well, 5G networks are still set to roll out this year and Rogers will look to capitalise on a potential increased demand for data services.

As of this writing, this dividend investing pick is yielding 3.54%, which slightly exceeds the trailing five-year average yield. Even with some financial damage visible on the books, the payout ratio is still only 51.41%. This suggests the yield can be viewed as reliable for long-term investors looking to buy now and hold.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a major Canadian bank with strong footing in the U.S. as well. It provides customers with a wide range of financial, insurance, and investing products and services.

TD was also dragged down with the market crash earlier this year. Concerns around the pandemic coupled with interest rates that keep creeping lower have certainly hurt the bank.

This dividend investing pick posted year-over-year quarterly revenue growth of -23.8%, and also reported a massive spike in its loan loss provisions.

So, TD is clearly experiencing – and preparing for more – damage this year. However, it's important to keep in mind the bank is very well capitalised and has shown great resiliency in the past.

It also has great government support and access to copious amounts of liquidity from various sources. For long-term investors, TD is still a very attractive pick to make great total returns.

As of this writing, TD is yielding 5.11%. The chance to lock in a yield north of 5% with one of Canada's premier bank stocks should be enticing to investors.

TD's payout ratio sits at just 52.81% and the bank has an absolutely phenomenal track record for maintaining and growing its yield.

Dividend investing strategy

Both of these TSX heavyweights are great picks for a dividend investing plan. While both are facing challenges now, the long-term outlook for both stocks should still be largely positive.

If you're looking to score a big yield with a blue-chip stock today, these are both great options to consider.

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2. NYSE:TD (The Toronto-Dominion Bank)
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