Income Investing: 2 TSX Gems to Buy

Description

Despite recent market headwinds, income investing is still very attractive. With some deflated prices available, big and reliable yields can be had for cheap.

Now, for those focused on income investing, current economic conditions might be somewhat worrying. So, it's vital for investors to find resilient dividend stocks.

Essentially, a massive yield is no use if it's soon due to be cut substantially. So, the key to income investing during these times is finding sustainable yields that have room to grow down the line.

Today, we'll look at two TSX gems that are offering investors reliable and juicy yields.

BCE

BCE (TSX:BCE)(NYSE:BCE) is the holding company for Bell MTS, Bell Canada, Bell Media, as well as Bell's other segments.

BCE is a major player in the Canadian telecom space with its market cap coming in at $50.42 billion.

Since most of BCE's offerings are non-cyclical and generally near-essential services, its finances haven't been hit as hard as some other stocks'.

Quarterly revenue growth has fallen to -0.9% for this income investing star. However, this is for a period where many stocks posted negative figures in the double digits.

BCE is still well positioned with a solid balance sheet to tackle the challenges ahead. Plus, the introduction of 5G networks set to take place this year should be positive for the stock.

With a yield of 5.95% as of this writing, investors can lock in an outsized yield with a top blue-chip TSX stock. Although there are some challenges in the short run, the long-term outlook for BCE should still be largely positive.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's major banks. It has a strong presence in both the U.S. and Canada and offers customers a wide range of financial products.

Due in part to its heavy exposure to the U.S., TD has been hit quite hard as of late. Its loan-loss provisions skyrocketed recently and year-over-year quarterly revenue growth sits at -23.8%.

However, this income investing star has a sturdy balance sheet and plenty of access to liquidity through regulatory support.

It also has a payout ratio of only 52.81%, so the safety of the yield shouldn't be too concerning. Speaking of the yield, it's coming in at a whopping 5.16% as of this writing.

Long-term investors interested in income investing should be clamouring for TD's stable and juicy yield. Even with some challenges ahead, the bank has shown in the past it has the resiliency to weather economic downturns.

In fact, this income investing giant has never missed a payout dating back to 1857. If income stability is what you're after, TD is still a great option.

Income investing bottom line

Both BCE and TD offer investors outsized yields with proven track records of stability. Even during these tough times, investors can bank on the yields offered by these stocks.

For those focused on income investing, a big yield is key. However, the yield must also be sustainable and both stocks have the means to continue paying investors with huge dividends.

If you're looking to add to a dividend investing plan, be sure to consider BCE and TD.

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