The Top TSX Dividend Stock to Buy in November 2020

Description

The stock market seems to have levelled out for now. After the large crash back in March, Canadians are lying in wait as economists predict further crashes down the line. While we aren't at pre-crash levels yet, there is still room to fall just as badly – if not worse – than before.

So what are investors to do? Buy? Hold? Sell? Honestly, I would say all of the above!

There are many stocks out there that are a steal right now, and if you're looking for dividend income, it's even better. If you manage to find the right stock, you could be setting yourself up for huge returns along with large passive income for decades to come.

There are also stocks reaching all-time highs as well, and those are the ones you might consider selling if you're worried about finances. These stocks are likely tied to the growth in e-commerce, so it's always an option to sell a bit of your stake, and buy if it falls again.

As for the rest of your stocks — hold onto them! It's all about the long game when it comes to investing. And it *is* a game. You're playing the markets. But it's a serious game where you can lose a lot. So holding on tight to most of your stocks for decades to comes means you give yourself the best chance of selling at all-time highs.

That's all well and good, but if you want cash this November, I would recommend those dividend stocks I mentioned. Finding the right stock can be hard, but I recommend **Royal Bank of Canada** (TSX:RY)(NYSE:RY).

Why Royal Bank

There are a few general reasons why I would consider buying up shares in Royal Bank. First, there's predictability. We could all use some of that these days, especially from dividend stocks. Royal Bank hasn't cut its dividends during this downturn, in fact it's increased. Another in fact, it's increased its dividend at a compound annual growth rate (CAGR) of 7% over the last five years!

Meanwhile, it’s still a cheap stock. The company’s price-to-earnings ratio sits at 12.36x as of writing. That leaves plenty of room to grow for investors looking to buy up cheap and see massive one-year returns. Historically speaking, the stock has seen growth of over 150% in the last decade. That’s a CAGR of 15% you can potentially look forward to over the next decade, if not higher thanks to the downturn.

But the reason I would buy it in November is due to its earnings date coming up on December 2, 2020. Right now, there is the potential for a huge jump in stock price. So that means you want to get in earlier to take full advantage of that jump. Meanwhile, you can then also take advantage of the next dividend payout! The more dividends you can grab, the better! Even if shares aren’t doing as well as predicted.

Bottom line

If you invest just $6,000 into Royal Bank today, that would bring in dividends of about $200 per year. You could also see another return of 150% in the next decade! That would turn that $6,000 investment into a whopping $30,597.16 in just 10 years at today’s prices!

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alegatewolfe