



TSX Stocks: 2 Stars With Reliable 5% Yields

Description

When seeking out stocks for long-term investing, those providing substantial, yet reliable yields should be most attractive for investors. [Blue-chip TSX stocks](#) that provide these dividends tend to generate great total returns over time.

Of course, even the biggest of names on the TSX have been hit hard this year. However, some are better prepared than others to weather the storm.

As such, it's important during these times for long-term investors to ensure they're choosing stocks that can comfortably pay their dividends. With a severe disruption in many sectors, some stocks are experiencing major turbulence.

Today, we'll look at two TSX stocks that are yielding about 5% and have the stability investors are craving.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a sturdy blue-chip stock yielding 4.89% as of this writing. Its principal subsidiary, Telus Communications, provides customers with a range of services including mobile phone, internet, entertainment, TV, and even healthcare services.

Telus has long been committed to maintaining and growing its [dividend](#) for its investors. It hasn't reduced its dividend in 2020 and is well equipped to push it higher in the future.

While many companies are still posting negative revenue growth figures, Telus has a year-over-year quarterly revenue growth of 1.9%. This is still tiny compared to its usual figures, but it's at least a good sign that it's positive.

While the payout ratio has crept higher to 98.72%, it's still not unwieldy for Telus. This TSX stock still has decent cash flow and the stability to move forward with its yield.

Plus, investors can get excited about Telus's foray into digital healthcare solutions, as it looks to continue being an innovator in the space. Now, arguably more than ever, a service such as this is vital and could be a driver for growth going forward.

As of this writing, Telus is trading at \$23.82 and yielding 4.89%. The five-year average yield sits at 4.38%, and, as such, investors can pick up a yield slightly larger than usual.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the major commercial banks in Canada, with a solid and expanding presence in the U.S. as well.

When discussing TSX stocks that pay reliable dividends, it's hard not to mention BMO. In fact, it has the longest dividend streak in Canada, having paid a dividend every year since 1829.

That means through all the different challenges and obstacles presented since 1829, BMO has remained committed to paying a yield to its investors. This should be music to the ears of long-term investors.

Of course, 2020 has presented unique challenges and hurdles that even TSX stocks like BMO have struggled with. However, BMO is starting to get back on track with year-over-year quarterly revenue growth coming in at 6%.

This TSX stock is trading at \$83.41 and yielding 5.08% as of this writing. With a five-year average yield of 4.09%, today's yield is much larger by comparison.

Plus, due to BMO's outstanding diversification and wide range of business areas, it's been able to keep its payout ratio at 60.49%. This means investors should be able to rest assured that this yield is safe and sound.

TSX stocks for the long run

Both Telus and BMO offer investors great growth potential as well as ironclad stability for the long run. If you're looking to pick up a TSX stock with around a 5% yield, these are both worth a good look.

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2. NYSE:TU (TELUS)
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