



TFSA Investing: 2 TSX Giants With Huge Yields

Description

When looking for stocks suitable for TFSA investing, [reliability](#) should be a key metric to watch. This is because the TFSA's power is truly unleashed when allowed to compound over time consistently.

Further, it's important to note TFSA contribution room is not restored following a realized loss. So, if you were to take a hit on a risky investment, that contribution room is gone for good.

As such, reliable blue-chip stocks that pay healthy dividends are desirable for TFSA investing. Over time, these stocks can produce great total returns for investors with the patience.

Today, we'll look at two such TSX stocks that could deliver strong results in the long term.

Manulife

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is a large Canadian finance and insurance company. Along with its Canadian operations, it also has divisions in the U.S. and Asia.

While it's no secret this stock's been [hit hard this year](#), it's still a solid candidate for long-term TFSA investing. That's because it offers a juicy yet reliable yield relative to its peers.

Plus, it reported some positive news in its recent Q3 report. Earnings might have been flat but its position in Asia is looking strong and a shift towards digital insurance products has helped net income prosper.

As of this writing, this TFSA investing pick is trading at \$20.95 and yielding 5.34%. With a payout ratio of only 54%, it's worth noting that yield should be incredibly safe.

Given the size of its yield, this stock could deliver great total returns over time in a TFSA. With the power of compounding and dividend re-investing, patient investors stand to gain immensely.

All in all, it seems like Manulife could be trading a little lower now compared to its long-term potential.

This makes it an ideal candidate for investors looking to nibble on some different finance stocks.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is a major Canadian bank offering a wide range of banking products and services. It's a favourite among long-term investors given its reliable dividend.

TD is a great pick for TFSA investing, because it's extremely committed to providing dividends. In fact, it's never missed a dividend payment, as it's paid out every year since 1857.

Of course, 2020 has been a rough year for most stocks, and especially financial stocks. However, things have started to turn around a bit, and long-term investors still have plenty of reason to be positive about TD.

As a major Canadian bank, it has access to plenty of support and liquidity if it needs it. Plus, it has a healthy enough balance sheet to weather any storms ahead.

While it may not produce wild returns this year or next, it has the potential for great returns over time. This is due to its attractive and reliable yield coupled with TD's penchant for solid share price growth.

As of this writing, this TFSA investing star is trading at \$64.68 and yielding 4.89%. It's not often that shares of TD can be had with a yield around 5%, so long-term investors should dig in happily.

TFSA investing strategy

Both Manulife and TD make for good long-term TFSA holdings. They both take advantage of the TFSA tax-savings and compounding to deliver investors great results.

If you're looking to add to a TFSA investing plan, be sure to give these stocks a fair look.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:TD (The Toronto-Dominion Bank)

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