TFSA Investors: 3 Dividend Stocks Yielding Up to 9.8%

Description

If you have room in your tax-free savings account (TFSA) and are looking for some quality dividend stocks to put into there, then I've got just the investments for you. Below are three stable, income-generating stocks that can generate recurring cash flow for your TFSA and help it grow in value. One of them is yielding as much as 9.8%!

Hydro One

Utility company **Hydro One Ltd** (TSX:H) is a great buy-and-forget stock to put into your TFSA. While there is some volatility in the company's financials, Hydro One is generally pretty consistent. In its third-quarter earnings, its revenue (net of purchased power) was $910 million and just $54 million higher than it was during the same period last year, which the company credits mainly due to higher demand.

Currently, Hydro One pays its shareholders a quarterly dividend of $0.2536, which on an annual basis yields 3.5%. There are higher-yielding stocks available, but what you'll love about this investment is its stability. With the Ontario government a significant shareholder, you don't have to worry about the company taking on too many risks or being too aggressive with expansion. Year to date, shares of Hydro One are up over 14%.

Maple Leaf Foods

Another good, safe stock to put into your TFSA is **Maple Leaf Foods** (TSX:MFI). The company's food products are found in grocery stores across the country and its brands are household names. Since its products are necessities, especially as people spend more time eating at home than in restaurants right now, the business should also make for a stable investment.

The stock has risen more than 7% this year and also pays a dividend that today yields 2.3%. Your total return from owning the stock this year would be close to 10%, which is not too bad for a low-risk stock during a year as volatile as 2020.

Investing in Maple Leaf Foods also gives investors the ability to tap in to the growing popularity of plant-based meat products. The company owns Lighlife, which makes a variety of plant-based foods, including burgers and hot dogs. While that hasn't translated into skyrocketing sales numbers just yet, it's one of the better Canadian stocks to buy if you're bullish on alternative meat products.

Slate Grocery

If you want to invest a bit broader than just food products, you should also consider **Slate Grocery REIT** (TSX:SGR.UN). The real estate investment trust (REIT) allows you to benefit from the stability of U.S. grocery stores while also enjoying U.S.-based dividends that can rise in value if the Canadian dollar struggles.

The REIT's portfolio is made up of properties anchored by grocery stores, which makes it a lot more stable than a REIT that's full of shopping centres and where your investment might be very risky right now.

The REIT pays a monthly dividend of US$0.072 and so your dividend payments will undoubtedly vary depending on the exchange rate. Today, however, you can earn a dividend yield of about 9.8%. Slate Grocery can help you diversify your portfolio outside of the Canadian market and allow you to collect a great dividend along the way.

CATEGORY

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TICKERS GLOBAL

1. TSX:H (Hydro One Limited)
2. TSX:MFI (Maple Leaf Foods Inc.)

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