1 High-Yield Dividend Stock to Buy and Never, Ever Sell

Description

When it comes to purchasing stocks that can add safety and reliability to your investment portfolio, few companies compare to the Big Six Canadian banks.

Canadian financial institutions have always been a beacon of hope for investors trading stocks on the TSX. These financial institutions provide a safe space to park your capital, provide growth through capital gains and offer virtually guaranteed dividend payouts.

The safety and dividends combine to make Canadian banks ideal for your Tax-Free Savings Account (TFSA) – especially if you're looking for companies that you can buy and forget about in your account. **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is a phenomenal stock to consider for this purpose.

Why BMO?

BMO is the fourth-largest Canadian bank among the Big Six in terms of its market capitalization. The $62.53 billion market capitalization stock has a habit of falling behind some of its closest peers in terms of growth. However, BMO has had a relatively better year compared to its peers.

Stocks across the board declined amid the pandemic-fueled sell-off in February and March 2020. However, BMO has been quick to get back on its feet. The stock is up by almost 73% from its bottom on March 23, 2020. It is trading for $97.25 per share at writing and paying its investors at a juicy 4.36% dividend yield at its current valuation.

BMO might not be the most significant among the Big Six in terms of its market capitalization. That factor might not be too bad considering the fact that BMO also has substantially lower exposure to the Canadian housing market. A local housing market crash could spell trouble for the entire economy and affect its peers among the Big Six. However, BMO might be better off than the likes of **Royal Bank of Canada** or **Scotiabank**.

Dividend history

The Big Six have an incredible history of paying dividends to shareholders. BMO happens to have a dividend-paying streak that extends far beyond most of its peers. The bank has been paying its shareholders their dividends for the last 191 years, the longest streak for any company in Canada. BMO is also a Canadian Dividend Aristocrat, because it has increased its payouts for the last eight consecutive years.

Considering the bank's history of paying dividends to its shareholders, you can count on BMO to continue providing you with reliable payouts for however long you remain invested in the stock. That could make it an ideal stock to hold in your TFSA.

Foolish takeaway

Its $97.25 per share valuation at writing means that the Bank of Montreal is trading slightly below its pre-pandemic share price of around $104. With the economic recovery on the cards, investing in the bank could entitle you to capital growth through its capital gains as it recovers. Additionally, your TFSA account balance can keep growing, thanks to its reliable and regular dividend payouts.

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