



TFSA: 3 High-Income-Yielding Stocks to Buy in February

Description

The year 2021 started on a slightly positive note for the broader market. The Canadian market benchmark is set to end the third consecutive month in the positive territory. The **S&P/TSX Composite Index** has risen by 1.3% in January. It rose by 1.4% in December after inching up by 10.3% in November 2020.

A Tax-Free Savings Account (TFSA) gives you a great power to benefit from the stock market gains without paying extra taxes on returns. It would be even better if you get some passive income from your investments. Here are three amazing dividend TSX stocks to buy in February. These stocks would give you good returns on your TFSA investments and act as a source of passive income with their solid dividends.

TC Energy stock

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is one of the most attractive Canadian stocks to buy right now. It's a Calgary-based energy infrastructure company with its focus on North American natural gas and liquids pipelines. The company also operates energy storage facilities.

With the recent change in the United States's political scenario, TC Energy had to face a setback. Soon after his swearing-in ceremony, President Joe Biden [revoked](#) Keystone XL project presidential permit signed by former President Donald Trump in March 2019. This development would hurt TC Energy's Q1 2021 earnings.

Nonetheless, the company still has many big pipeline projects on its plate. TC Energy recently announced that it's advancing other similar projects worth \$25 billion. The company's management expects these projects to drive significant financial growth. It would allow the company to increase its dividends by 8-10% in 2021 and 5-7% thereafter. TC Energy currently offers a solid 5.9% dividend yield.

TD Bank stock

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest Canadian bank by market capitalization. Its stock is trading with 2.7% gains in January after ending the year 2020 with 1.3% losses. While the global pandemic devastated many businesses last year, TD Bank showcased stability as its wholesale banking segment showed strength while Canadian retail banking remained stable.

In the fourth quarter of fiscal 2020, TD Bank's provisions for loan losses declined significantly — triggering a rally in its stock in the last couple of months of the year. Despite COVID-19 woes, its net interest income grew to \$25.6 billion in fiscal 2020 — much higher than \$23.9 billion in the previous fiscal year. The bank currently offers a 4.3% dividend yield.

Overall, TD Bank stock could be a great addition to your TFSA investment portfolio in 2021.

Enbridge stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another great energy stock to buy and hold for the long term for TFSA [investors](#) seeking passive income. The company makes most of its revenue from energy services and liquids pipelines segments in the U.S. market. Nearly 60% of its 2019 revenue came from the U.S., while the remaining 40% was from its home market. This North America's largest energy pipeline company offers an attractive 7.7% dividend yield.

While Enbridge has seen a negative revenue trend in the last three quarters, analysts expect its revenue growth trend to turn positive from Q1 2021 onwards. I expect its financial recovery to drive its stock higher in the coming quarters.

Enbridge stock has already started recovering. It's currently trading with 7% month-to-date gains after losing 21% last year. TFSA investors can buy these stocks to benefit from the rising stock market and also get extra dividend income.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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Author

jparashar

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