



## 2 TSX Dividend Heavyweights to Buy and Hold Forever

### Description

In the investment ring, opponents such as the current pandemic are tough, unpredictable, and could knock-out your earnings. Since money is at stake, [lightweight investments](#) can't protect your capital and deliver steady, long-term income streams.

When the market is extremely volatile, you need dividend heavyweights such as the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). While the blue-chip companies may not be the highest dividend-payers on the **TSX**, they are industry titans. You can invest in both, [sleep easy](#), and never sell again.

### Banking giant

If you look at the tale of the tape, RBC is the largest bank in Canada, while BCE is the largest telecom. Their industry positions precede them. They are both large-cap stocks with strong balance sheets and good dividend track records. While the companies aren't insulated, the businesses can overcome economic downturns.

RBC is time-tested and battle-scarred. The \$156.36 billion banking giant stands tall during a financial crisis or recession. In Q1 fiscal 2021 (quarter ended January 31, 2021), management reported a 10% and 19% increase in net income versus Q1 2020 and Q4 2020. The bank said there were increased client activity and strong volume growth across its businesses.

The provision for credit loss went down by \$277 million from the same period last year. Because of the strict lockdown measures, digital usage is growing as active mobile users grew 12% to 5.2 million from a year ago. Notably, digital adoption and self-serve transactions climbed by 56% and 93.8%.

Income investors can rely on RBC for pension-like income, given its 15 decades dividend track record. Assuming you invest today, the share price is \$109.74 (+6% year-to-date), while the dividend yield is 3.99%. The payout ratio is less than 55%, so the payouts should be safe.

## A dominant player in a near-monopoly

Telecom giant BCE is a no-nonsense income stock and a defensive asset for risk-averse investment. If network connectivity is most critical these days, you can't go wrong with a company that provides industry-leading broadband communications services. The allied segments include national wireless services and a wide range of business communications like data hosting and cloud computing.

In Q4 2020, BCE's retail Internet net additions and Internet revenue increase by 25% and 12% in Q4 2020 compared to Q4 2019. Similarly, free cash flow during the quarter increased rose 30.3% year-over-year. For the full-year 2020, BCE generated a substantial free cash flow of \$3.35 billion, although net earnings dropped by 17% to \$2.7 billion versus the full year 2019.

As of March 1, 2021, BCE shares trade at \$54.99 and pays a hefty 6.43% dividend. A \$100,000 investment will generate \$1,607.50 in recurring quarterly income. Hold the telco stock in 25 years, and your investment will balloon to \$474,899.33. BCE has raised its dividends by no less than 5% for 12 consecutive years regarding dividend growth.

## Ships in a vast ocean

Whether you're a veteran or newbie investor, the Royal Bank of Canada and BCE are safe investments. They are household names, top brands, and reliable stock market performers. Look at them like ships in a vast ocean. If a storm comes and waves whip up, they will still bring you to your destination. Purchase them now for your long-term and dividend play portfolio.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BCE (BCE Inc.)
4. TSX:RY (Royal Bank of Canada)

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