



Income Investors: 2 TSX Gems to Watch

Description

While stocks are still settling from a turbulent 2020, many are still attractive options for long-term investing. Income investors in particular can scoop up shares of blue-chip gems offering stable dividends at reasonable price points.

When looking to generate income from investments, the size of the yield is only one piece of the puzzle. The dividend also has to be sustainable, and the company needs to have solid prospects moving forward so it can remain that way.

So, following that it's possible to identify the type of stocks an income investor might be interested in. These are generally reliable, blue-chip stocks with diverse ways of generating revenue.

Today, we'll look at two such dividend superstars ideal for this style.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is a large Canadian holding company for the Bell Canada group of companies. Through its subsidiaries, it offers a wide range of services in the telecommunications and media space.

BCE has long been an exemplary option for long-term income investors. It typically pays a handsome dividend and has frequently increased its dividend over time.

Its wide moat of revenue-generating services with resilient and non-cyclical demand help it offer value to investors. When it comes to stocks involved in the telecom space, BCE is a top name for investors to consider.

The company has continued to expand its media asset collection and will also look to provide premier service with 5G networks for Canadians. These are areas that could contribute to growth for BCE moving forward.

As of this writing, this TSX gem is trading at \$56.81 and yielding 6.16%. With a yield north of 6%, income investors should be very intrigued by BCE.

While the dividend-payout ratio is over 100% as of this writing, BCE is equipped to weather the current dry spell. As things start to pick up a bit more moving forward, expect that ratio to fall more in line with a more manageable figure.

For investors looking to generate income with a top Canadian media company, BCE is a great choice.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the major banks in Canada. It separates itself from some of its peers with its lending portfolio and growing U.S. presence.

Truth be told, all the major [Canadian banks](#) make for fairly attractive options for income investors. They all offer rock-solid stability and wide moats of revenue for investors to count on.

However, BMO is an interesting option because of its growth potential in the United States. This market could be a major key for BMO's revenue growth moving forward and help the bank continue to deliver value for investors.

Not to mention, BMO has the longest dividend streak amongst the big banks. It's paid a dividend every year since 1829 and grown the dividend for most of that time as well.

As of this writing, [BMO](#) is trading at \$111.03 and yielding 3.82%. While it's not the largest yield around, it's attached to a revered name in dividend investing.

BMO blends stability and growth perfectly for income investors looking to make a long-term investment. Be sure to give this banking giant further consideration as a passive-income option.

Income investor strategy

If you're looking to add some extra income-generating stocks to your portfolio, these two TSX blue-chips deserve a good look.

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4. TSX:BMO (Bank Of Montreal)

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