



Income Investing: 2 TSX Superstars to Buy

Description

When it comes to income investing, investors should be looking for reliable blue-chip stocks. Fortunately, the TSX is full of such stocks for Canadian investors to latch onto.

When investing with a focus on [dividends](#), it's important to look past just the size of the yield. That's because massive yields with unsustainable backing are usually quick to be cut.

Instead, investors should set their sights on stocks with attractive yields and the means to sustain and grow them. That trims the pool of potential dividend stocks quite considerably.

Today, we'll look at two such TSX superstars with reliable dividends. These two blue-chip stocks are ideal for income investing.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a massive blue-chip telecommunications stock. Its subsidiary, Telus Communications, is a well-known name within the telecom space in Canada.

Telus offers a wide range of products and services, from internet and TV to healthcare. This means Telus has built a wide moat of revenue sources that help it deliver value to investors.

For income investing purposes, Telus makes for a solid pick then. As of this writing, it's trading at \$25.16 and yielding 4.95%.

When a blue-chip stock like Telus is offering a near-5% yield, investors should take note. The stock has a lot of exciting growth prospects going forward and is positioned to maintain this dividend as well.

Over time, a dividend like that could generate a significant amount of passive income. In fact, an investment of \$50,000 would generate \$2,475 in dividend income in a single year.

This is a profitable business with avenues for growth, such as 5G expansion, going forward. Telus

Health also saw great progress last year and could continue to grow as the world moves towards digital healthcare solutions.

If you're looking at a telecom stock for income investing, Telus is in a solid spot to deliver sustainable income going forward.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a massive Canadian bank, with a strong U.S. presence as well. It has a market cap of \$72.82 billion as of this writing.

If you're talking about sustainable dividends for income investing, you simply can't ignore BMO. It's paid a dividend every year since 1829 and grown the dividend for most of that time too.

It simply doesn't get better than that when it comes to [dividend investing](#). BMO is able to achieve this through its strong core of revenue streams and diverse angles of growth potential.

It differentiates itself from its peers with its U.S. exposure and different forms of lending. Of course, practically all the Canadian banks would make suitable picks for this style of investing, but BMO could be one of the ideal choices.

As of this writing, it's trading at \$112.52 and yielding 3.77%. While that's not an eye-popping yield by any stretch, it's right in line with the recent historical yields for this stock.

Over time, that dividend could generate plenty of passive cash flow within an income investing strategy. If you're looking to add a TSX bank stock to your mix, BMO is worth a look.

Income investing plan

Both T and BMO can be vital components of a solid income investing plan. Investors can comfortably rely on these stocks to experience solid growth going forward and reflect that with increased dividends.

If you're looking for stocks ideal for income investing, these two names are worth considering.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:TU (TELUS)
3. TSX:BMO (Bank Of Montreal)
4. TSX:T (TELUS)

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