3 Biggest TSX Dividend Stocks to Hold for Decades

Description

Growth stocks usually have higher return potential and are also more volatile. At the same time, dividend stocks offer decent returns that outperform broader markets in the long term. So, taking an extra risk just for a couple of percent higher returns could be self-defeating. Here are the three biggest **TSX** stocks that offer superior dividend income and decent growth prospects.

Toronto-Dominion Bank

The country's second-biggest **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) offers stable and reliable dividends. It yields 4% at the moment, marginally higher than TSX stocks at large. While the yield is not significantly higher, the stability and long payment history make it stand tall among peers.

TD Bank has a significant presence in the U.S. This diversification could be a solid growth driver for the bank in the post-pandemic world. It is looking for aggressive growth and is seeking acquisition opportunities in the U.S. The bank's prudent provisioning last year and relatively faster recovery from the pandemic have resulted in a significant excess capital with the banks, which will likely give TD Bank a leeway to expand inorganically.

Notably, Canadian regulator might again allow banks to raise their shareholder payouts this year. The ban on dividend increases came last year in the wake of the pandemic to maintain the banks' liquidity position. However, the ban will likely end in the next few months, given the relative improvement in their credit quality. Investors can expect a decent dividend increase in TD this year.

BCE

The telecom giant **BCE** (TSX:BCE)(NYSE:BCE) is one of the most stable dividend payers on the TSX. It yields more than 6% and has increased dividends for the last several years.

BCE's stable wireless and cable operations enable visible earnings, which ultimately facilitate steady dividends. Despite a notable financial impact last year, the company maintained its dividend increase last year. Its revenues declined 4%, while net income fell almost 17% year over year in 2020.

The Canadian telecom industry is undergoing a significant transformation. The 5G race and the recently proposed consolidation of BCE's peers will notably change the industry in the next few years. Notably, BCE could be the one who emerges stronger driven by its scale and a large subscriber base. Its higher capital spending on network improvements and relatively stronger balance sheet will likely bode well for higher shareholder returns in the long term.

BCE stock might underperform markets in the short term. However, it has been a solid wealth creator in the long term. It returned 11% compounded annually in the last two decades, notably beating the **TSX Composite Index**.

Enbridge

Top energy midstream company **Enbridge** (TSX:ENB)(NYSE:ENB) is one of the top-yielding stocks on TSX. It yields 7.4%, way higher than TSX stocks at large. It has increased dividends by 10% compounded annually for the last 26 consecutive years.

Enbridge's stable and visible cash flows made such a long payout streak possible. It generates a large share of its earnings from low-risk, fixed-fee operations. Its large pipeline network and recovering energy markets could continue to drive its earnings in the post-pandemic world.

If you are looking for a solid dividend income with decent capital gain prospects, Enbridge should be on your watchlist. It has returned 10% compounded annually in the last 10 years, beating TSX stocks at large.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Metals and Mining Stocks
7. Personal Finance
8. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Metals and Mining Stocks
7. Personal Finance
8. Stocks for Beginners

Date
2025/08/20
Date Created
2021/04/05
Author
vinitkularni20