



## TFSA Wealth: 3 All-Star Dividend Stocks to Buy Today

### Description

The federal government kept the annual contribution for a Tax-Free Savings Account (TFSA) at \$6,000 in 2021. This increased the cumulative contribution room to \$75,500. That is a good amount of room for investors to maneuver, no matter what their investment strategy. Today, I want to explore a [dividend investing strategy](#). Below are three dividend stocks that have earned their all-star status in recent years. Let's dive in.

### This stock offers a strong 5.4% yield

**Capital Power** ([TSX:CPX](#)) is the first dividend stock I want to look at for a TFSA today. This Edmonton-based company develops, acquires, owns, and operates power generation facilities in North America. Its shares have climbed 7.9% in 2021 as of early afternoon trading on April 9. The dividend stock is up 32% from the prior year.

In Q4 2020, Capital Power delivered adjusted EBITDA of \$220 million – down from \$352 million from the prior year. For the full year, revenues were down marginally to \$1.93 billion. However, diluted earnings per share rose to \$0.77 – up from \$0.72 in 2019.

TFSA investors should look to this dividend stock that still offers favourable value in the early spring. Capital Power last paid out a quarterly dividend of \$0.512 per share. That represents an attractive 5.4% yield.

### A dividend all-star in the surging oil space

In February, I'd suggested that investors should look to energy stocks as [oil and gas prices rose](#). **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is a Calgary-based company that provides transportation and midstream services for the energy industry. Its shares have climbed 20% so far this year. The dividend stock is up 28% compared to the same time in 2020.

Total revenues came in at \$1.69 billion in the fourth quarter of 2020 – down marginally from \$1.75

billion in Q4 2019. For the full year, adjusted cash flow from operating activities rose to \$2.28 billion over \$2.23 billion over the last year. Adjusted EBITDA increased to \$866 million over \$787 million in Q4 2019 and jumped to \$3.28 billion in 2020 – up from \$3.06 billion.

TFSA investors on the hunt for a monthly stipend should pursue Pembina. The dividend stock boasts a monthly dividend of \$0.21 per share. That represents a tasty 6.8% yield.

## One more dividend stock to add to your TFSA in April

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is the last [all-star](#) dividend stock I want to look at today. It is the fifth-largest of the Big Six Canadian banks. CIBC stock has climbed 14% so far in 2021. Shares have climbed 43% from the prior year.

The bank reported adjusted net income of \$1.64 billion in the first quarter of 2021. This was up 11% from Q1 2020 and 28% from the previous quarter. Adjusted diluted earnings per share delivered growth of 10% year-over-year and 28% from the fourth quarter of 2020. Canadian banks are well-positioned to gain big as the domestic and global economy recovers this year.

CIBC last paid out a quarterly dividend of \$1.46 per share, which represents a solid 4.7% yield. Its shares last had a favourable P/E ratio of 13. CIBC is perfect for TFSA investors who want balanced growth, income, and good value.

### CATEGORY

1. Investing

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1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:CPX (Capital Power Corporation)
5. TSX:PPL (Pembina Pipeline Corporation)

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