Dividend Investing: 2 TSX Superstars to Watch

Description

The TSX is home to many different stocks that are suitable for a wide range of investing strategies. When it comes to dividend investing especially, there are many top names available.

Dividend investing for the long haul is typically best done with stocks that have reliable dividend-growth trajectories — that is, it usually doesn't pay to chase stocks with excessively high dividends, as they are often unsustainable yields.

Over time, harnessing the power of a reliable dividend paying stock can instead deliver great returns. Investors looking for more sustainable dividend investing may opt to go this route.

Today, we'll look at two TSX gems with reliable dividends that are ideal for long-term passive-income investing.

RBC

Royal Bank of Canada (TSX:RY)(NYSE:RY) is the largest bank in Canada by market cap and a true superstar when it comes to banking stocks.

RY is ideal for dividend investing, because it combines the best of both worlds in terms of growth and reliability. It has a phenomenal track record for growing its dividend over time and has a massive cushion of stability due to its wide moat of diverse products and services.

Even through a tough 2020, RY's dividend was not under duress whatsoever. The payout ratio stayed well in range of what RY can easily manage, and as things open up moving forward, we could see RY begin hiking dividends again.

As of this writing, RY is trading at $117.57 and yielding 3.67%. For long-term investors, that makes for a decent proposition, as the yield is roughly in line with recent averages.

With a nearly 4% yield in tow, RY is offering solid value to investors focused on the long haul. Its position as a premier bank in Canada gives it the ability to offer investors great growth and reliability all at the same time.

Investors eyeing a banking giant for their dividend investing strategy should start with examining RY.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a large Canadian utility holding company with services available to customers across multiple continents.

FTS has long been a mainstay when it comes to dividend investing due to its outstanding track record for stability.

The utility giant is able to offer this stability due to how its revenue sources are structured. Specifically, it provides most of its utility services through heavily regulated contracts, and as such revenue is secure and predictable.

Investors benefit from this steadiness with a rock-solid dividend and a share price that tends to ignore the brunt of market forces. FTS has the added benefit of being a fairly defensive stock that can still be ideal for dividend investing.

As of this writing, FTS is trading at $54.70 and yielding 3.69%. With safe and secure backing tied to that dividend, it's clear that investors can enjoy a reliable but attractive dividend with FTS.

Dividend investing strategy

Both RY and FTS are suitable candidates for a dividend investing plan. They both offer unique attributes that investors should find advantageous for long-term income investing.

If you're looking to add some TSX star power to your dividend investing strategy, these two blue-chip giants are worth another look.

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Date
2025/06/30
Date Created
2021/05/01
Author
jagseguin