Dividend Investing: 3 Heavyweights to Buy

Description

The TSX is home to many dividend-paying stocks for investors to pick from. However, not all these stocks are ideal for long-term dividend investing.

Specifically, stocks with potentially unsustainable dividends and uncertain revenue sources come to mind. These stocks typically aren't great fits for long-term dividend investors.

Instead, certain TSX investors should opt for more reliable blue-chip stocks. These stocks have proven track records for paying reliable dividends over time and can produce long-term results.

After all, a large yield may be attractive, but it's useless if it needs to be cut anyway. Investors in it for the long haul should favour more stable dividend stocks.

Today, we'll look at three stocks that are ideal for this sort of dividend investing.

BMO

Bank of Montreal (TSX:BMO)(NYSE:BMO) is a major Canadian bank and a great choice for long-term dividend investing. This is a bank stock with a long track record for paying a growing dividend to investors.

In fact, BMO has paid a dividend every year since 1829, which is quite the remarkable feat. Of course, the past doesn't always predict the future, but there's no denying how stable BMO is.

As of this writing, BMO is trading at $120.31 and yielding 3.52%. While it's not the largest yield around, it's attached to one of the biggest names in Canadian banking.

BMO's affinity for finding new avenues of growth and delivering value to investors over time make it a great pick for long-term dividend investing.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a massive utility holding company and a Canadian powerhouse when it comes to stable dividends. The stock also exhibits defensive traits that are appealing for certain investors.

Fortis is able to offer such a steady dividend due to how it structures its operations. That is, it provides utility services almost exclusively through heavily regulated contracts.

As such, its sources of revenue are extremely reliable and predictable. This means few surprises for investors and a rock-solid dividend.

The stock may not blow the roof off in terms of growth in any given year, but for long-term dividend investing it's a reliable pick. As of this writing, it's trading at $55.02 and yielding 3.67%.

Investors looking for a defensive stock that is resilient to market forces, but still pays a solid dividend, should check out FTS.

Dividend investing choice

Choice Properties REIT (TSX:CHP.UN) is a large Canadian REIT specializing in retail real estate properties. Of course, that doesn't sound very appealing given current conditions, but Choice is a unique case.

That's because most of its locations are anchored by its strategic partner **Loblaw**, which is the largest grocer in Canada. While other REITs have struggled with vacancy over the past year or so, Choice hasn't had such issues.

The REIT has remained a solid option for dividend investing within the real estate space. As of this writing, it's trading at $14.41 and yielding 5.14%. That's a solid yield for investors looking to add a bit of real estate exposure to their portfolio.

Of course, it's still a REIT, but with its relationship with Loblaw, Choice is able to offer relative stability to investors in uncertain times.

Dividend investing plan

These three names are all worth further consideration for investors looking to pick up more dividend investing options. Over time, they can all deliver solid results for Canadian investors.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
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