



## 2 Great Canadian Dividend Stocks to Buy Now

### Description

Canadian dividend investors can still find top stocks that pay attractive distributions and trade at reasonable prices.

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) had a good start to the year and investors should see solid returns continue through 2022. The energy infrastructure player reported [Q1 2021](#) comparable net earnings of \$1.1 billion, which was in line with the results from the same period in 2020.

TC Energy's \$20 billion secured capital program will drive revenue and cash flow growth in the coming years. This should lead to annual dividend increases of 5-7% over the medium term. TC Energy has a diversified asset base primarily focused on natural gas infrastructure and power generation. These assets performed well through the worst of the pandemic.

The stock picked up a nice tailwind in the past three months and more gains should be on the way. Natural gas has a strong future in North America and abroad and TC Energy is in a good position to benefit from an increase in demand. Countries around the world are shifting away from oil and coal for power production and converting power plants to use natural gas.

TC Energy has provided a 12% average annual total shareholder return since 2000. Investors who buy the shares at the current price of around \$64 can pick up a 5.4% yield. It wouldn't be a surprise to see the stock get back to the pre-pandemic high of \$75 by the end of next year.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a giant in the Canadian communications industry with a market capitalization of \$55 billion. The company continues to invest in its fiber-to-the-premises rollout and is ramping up the expansion of its [5G network](#). These investments should provide the foundation for future growth as subscribers consume more data across multiple devices and platforms.

BCE and its larger peers recently received good news from the CRTC. Planned [cuts to wholesale internet rates](#) will not go ahead, enabling BCE to invest more in its network expansion. In fact, the company already said it will [increase investments](#) by \$500 million as a result of the decision. BCE will now spend as much as \$1.7 billion through 2022 on capital projects.

The stock trades near \$61 per share at the time of writing and provides investors with a 5.7% dividend yield. BCE stock was as high as \$65 before the pandemic and the share price should drift back up to that level in the next six to 12 months, supported by the clarity on the internet pricing issue, an anticipated rebound in revenue in the media group, and higher roaming fees once travel restrictions ease.

## The bottom line on top dividend stocks

TC Energy and BCE are top stocks in the **TSX Index** with great track records of paying reliable above-average dividends to investors. If you are looking for solid income stocks to put in a Tax-Free Savings Account (TFSA) or buy-and-hold dividend payers to grow an RRSP portfolio, these companies deserve to be on your radar.

TC Energy and BCE trade at reasonable prices right now in a broader market that appears somewhat overbought. These stocks should continue to move higher through the end of the year and offer much better yields than GICs.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:TRP (TC Energy Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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