2 Best TSX Companies With Steady-As-a-Rock Dividends

Description

The **Toronto Stock Exchange**'s hallmark this year is resiliency, although it's not necessarily stable. Every time the index posts a new record, it slides on the next trading day. It happened again on August 9, 2021, when Canada's main benchmark fell 0.19% from its record high of 20,475.40 registered on Friday, August 6, 2021.

Energy, the top-performing sector thus far in 2021, dropped 1.9% following the slide of oil prices to a three-week low. Also, it was the worst decline since October 2020. **Bank of America** said, "The biggest challenge for oil markets remains the uncertainty around COVID as the 'delta variant' has made for the highest daily case counts since early 2021."

Income investors have every reason to feel anxious about a market pullback. The COVID-19 outbreak brought stock markets down, and its deadlier strain could do the same. If you're worried about the potential impact on dividend payments, fear not. The two best TSX companies pay rock-steady dividends regardless of the market environment.

Best long-term risk-reward play

The **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is as steady as a rock no matter what the circumstances are today. Canada's fourth-largest bank won't taint its image as the most investor-friendly stock on the planet. This $81.91 billion bank hasn't missed a dividend payment since starting the practice in 1829.

A matured company with the longest dividend track record (192 years) deserves to be a core holding in anyone's dividend stock portfolio. While the stock market could fluctuate, BMO ensures uninterrupted income streams.

At $126.54 per share, the dividend yield is 3.35%. Market observers believe that BMO and the otherbig banks in Canada will soon release their cash reserves for dividend increases and share buybacks.The Office of the Superintendent of Financial Institutions, the banking watchdog, will lift the restrictionswhen COVID concerns subside significantly.

Exceptional financial and competitive position

BCE (TSX:BCE)(NYSE:BCE) is close at the heels of BMO when it comes to dividend longevity. Canada's largest communications company started sharing a portion of its earnings with shareholders in 1881. Apart from the 140 years of dividends, the top-tier telco stock has raised its dividend by 5% annually for 13 straight years. At $63.39 per share, the dividend offer is a generous 5.49%.

The market cap stands at $57.41 billion today. Revenue generation isn't a problem as BCE rakes in $22.9 billion annually. In Q2 2021, BCE's operating revenue increased 6.4% to $5.69 billion versus Q2 2020. Notably, net earnings soared 149.7% to $734 million. Management said, "BCE is in an exceptional financial and competitive position."

Following the impressive quarterly results, BCE announced that it's on track to achieve revenue and adjusted EBITDA growth of between 2% and 5% in 2021. Likewise, the company should end the year with not more than $3.2 billion in free cash flow.

BCE's ongoing aim lies in expanding its footprint. The target is to increase the customer base in fiber and wireless home internet to more than 6.9 million homes and businesses by year-end 2021. However, a significant tailwind and growth catalyst should be the 5G network, one of the essential technologies for the next decade.

Unshakable dividend stocks

BMO and BCE are unshakable, unlike the TSX. Income investors can take comfort in the pair of dividend stocks that will deliver lasting income streams.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
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cliew