



Dividend Investing: 2 TSX Rockstars to Buy

Description

Dividend investing is a strong strategy available to Canadian investors with a long-term focus. This is because there are many high-quality dividend stocks on the **TSX**.

These are typically stocks with solid and reliable dividends, plus an affinity for finding growth opportunities. Over time, stocks like that can offer massive total return potential.

However, it's crucial that Canadian investors don't fall for yield traps when dividend investing. That is, there are sometimes stocks available with wildly high yields that can't sustain them.

As such, the dividends are due to be cut and/or the stock plummets, leaving investors worse off. Instead, investors should focus on the elite blue-chip TSX stocks for dividend investing.

Today, we'll look at two such TSX superstars ideal for long-term investing.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a massive telecom stock in Canada. Through its subsidiary, Telus Communications, it offers a wide range of telecom, entertainment, mobile phone, and healthcare services.

The company has long been a favourite amongst dividend investors due to its solid yield. Not only does it provide an attractive dividend, but it's staunchly committed to growing it over time as well.

As of this writing, the company is trading at \$28.58 and yielding 4.43%. That yield should be more than palatable for long-term investors.

With growth avenues like a booming [cellular market](#) in Canada due to 5G and Telus Health's strong presence in digital healthcare, Telus has plenty of room to grow going forward. For the purposes of dividend investing, the total return potential is huge when you factor in compounding.

T is a solid pick because it has a strong footing in a reliable sector of the Canadian economy. It also has its hands in some interesting projects that could provide further growth too.

Investors looking for a great mix of growth and stability should keep an eye on Telus.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a massive Canadian bank stock that's ideal for dividend investing. It offers investors both ironclad stability as well as strong growth potential.

It's not hard to see why BMO is a top choice for [dividend investing](#). The banking giant has paid a dividend every year since 1829 and increased it for most of that time as well.

Of course, investors shouldn't solely rely on the past to inform their investment decisions. However, a track record of that magnitude simply speaks to BMO's pedigree as a dividend stock.

Plus, BMO is in great shape for dividend investing as things stand. As of this writing, BMO is trading at \$128.93 and yielding 3.29% at writing.

Now, that isn't a crazy high yield, but BMO has been forced to hold its dividend stagnant as of late. Once the economy gets rolling, BMO easily has the means to start pushing that dividend upwards.

That's because its payout ratio is only 46.54%, meaning it can comfortably pay this dividend and much higher ones too.

Investors looking for a stock to bank on for long-term dividend investing will want to check out BMO.

Dividend investing strategy

Both BMO and T make for great choices for long-term dividend investing in Canada. Each stock offers unique benefits to help investors achieve great total returns over time.

If you're looking to scoop up shares of some top TSX blue-chip dividend stocks, be sure to give these stocks strong consideration.

CATEGORY

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