



TFSA Investors: 2 Dividend Stocks to Load Up on Today

Description

The **S&P/TSX Composite Index** stands at an astounding 2,247.01 points, up by 21.22% year to date and doing better than ever. Despite the upward trend for the broader market, a few income-generating assets have seen their prices decline on the stock market in recent weeks.

The Tax-Free Savings Account (TFSA) is an excellent investment vehicle for Canadian investors to capitalize on their investments for tax-free returns. [Dividend investing](#) is considered one of the best ways to use your TFSA contribution room.

Dividend investors looking for an opportunity to cash in on inflated dividend yields for reliable dividend-paying stocks trading for attractive valuations have a wealth of opportunities to consider. Today, we will take a closer look at two [reliable dividend stocks](#) that you could load up on today for this purpose.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a no-brainer stock for many Canadian investors seeking stability and reliability for their investment portfolios. Fortis stock is an excellent bond proxy that can provide you with virtually guaranteed shareholder dividends. The utility holdings company has several utility businesses in Canada, the U.S., and the Caribbean, providing natural gas and electric utility services to around 3.4 million customers.

Most of the company's revenues come through highly regulated and long-term contracted assets. It means that the company can generate predictable income. The company boasts solid cash flows that management can use to comfortably fund its shareholder dividends. Fortis stock is also a Canadian Dividend Aristocrat with a 47-year dividend growth streak, thanks to its reliable revenues.

The stock is trading for \$55.27 per share at writing and boasts a juicy 3.87% dividend yield.

TransAlta Renewables

TransAlta Renewables([TSX:RNW](#)) is a \$4.94 billion market capitalization company that owns and operates a portfolio of renewable energy facilities located in Canada, the U.S., and Australia. It is no secret that renewable energy is slated to gradually phase out fossil fuels, and companies like TransAlta Renewables are well-positioned to capitalize on the growing demand in the future.

TransAlta Renewables has been busy expanding its portfolio by developing new projects and through acquisitions. The company has recently announced its plans to purchase a wind farm located in North Carolina. The acquisition will add to its extensive portfolio that already includes hydroelectric, solar, and other wind power assets.

The stock is trading for \$18.44 per share at writing and boasts a juicy 5.10% dividend yield that you could lock into your portfolio today.

Foolish takeaway

The broader market appears to be in a slightly expensive territory as the **S&P/TSX Composite Index** hovers near its recent all-time highs. Fortis stock and TransAlta stock appear to be undervalued under the current market environment.

Both companies pay generous shareholder dividends, making them solid options to consider adding to your portfolio for tax-free returns through shareholder dividends in your TFSA. Additionally, you could enjoy further wealth growth as the [income-generating assets](#) appreciate in the near and long-term future.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:RNW (TransAlta Renewables)

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