



## Dividend Hike Alert: 2 Top TSX Stocks That Could Boost Dividends in 2022

### Description

The **TSX** offers a wealth of income-generating assets that Canadian investors can consider buying to earn passive income using their savings instead of letting their money sit idly in a savings account for insignificant returns through low-interest income.

[Dividend investing](#) is arguably a far better method to earn passive income than fixed-income assets like bonds and GICs. Investing your money in the right dividend stocks can provide you with far better returns than through fixed-income assets and high-interest savings accounts due to high shareholder dividend yields.

Today, I will discuss two top TSX dividend stocks that you should consider adding to your portfolio today before the companies [raise shareholder dividends](#), allowing you to significantly boost your investment returns.

### Toronto-Dominion Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a \$165.39 billion market capitalization bank among Canada's Big Six banks. TD Bank put up a terrific performance in its recent most quarter, and it is well positioned to benefit from the expected interest rate hikes in Canada and the United States. The Canadian bank has strong domestic operations and more expansive operations in the U.S. through TD Ameritrade.

The bank is sitting on a substantial cash pile, owing to the provisions for credit losses it set aside to cover losses due to loan defaults amid the pandemic. The much-feared loan defaults never arrived due to the government pumping liquidity into the economy through benefit programs, allowing TD Bank to free up the cash. While the bank has not yet announced any plans to deliver dividend hikes, it is likely to happen once bank stocks get the go-ahead.

TD Bank stock is trading for \$90.42 per share at writing, boasting a juicy 3.49% dividend yield that you could lock into your portfolio today.

## Suncor Energy

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) had to forego its reputation as one of the top Canadian Dividend Aristocrats on the TSX in 2020, as the energy giant slashed its shareholder dividends by 55% to protect cash flows. The move made sense at the time, as the pandemic-induced restrictions necessitated cost-cutting measures.

The rebound in crude oil demand this year has triggered a significant turnaround for oil producers. Suncor Energy used the cash flows and profits to reduce its debts and share buybacks. As the strong performance by the energy industry continues, Suncor Energy stock will likely resume its dividend hikes in 2022.

Suncor stock is trading for \$33.05 per share at writing, and it boasts a juicy 5.08% dividend yield.

## Foolish takeaway

With the conditions leading up to the end of 2021, the next few months could see TD Bank stock and Suncor Energy stock deliver [significant dividend hikes](#). Both income-generating assets trade for reasonable valuations at writing.

Between the potential returns through long-term capital appreciation and dividend hikes, it could be an ideal time to add shares of these two companies to your investment portfolio.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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## Date

2025/07/06

## Date Created

2021/11/06

## Author

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