2 Top TSX Stocks for Retirement

Description

Stock market investing has become increasingly popular in Canada in recent years. Creating a self-directed portfolio of the right assets trading on the stock market can provide you with significant returns on your investment. Instead of leaving your cash sitting idly in a high-interest savings account, stock market investing provides you with the opportunity to meet various financial goals with more substantial returns.

Investing can have many purposes, from creating enough returns to finance a big-ticket purchase to creating a portfolio that could help you build a sizeable retirement nest egg. If you are a Canadian citizen who wants to create an alternative retirement fund using your savings, dividend investing could be an ideal way to go.

Today, I will discuss two top TSX dividend stocks you could consider investing in with a long investment horizon to fund your retirement.

BCE

BCE (TSX:BCE)(NYSE:BCE) could be a solid investment to consider if you are looking for income-generating assets for your retirement portfolio. The Canadian dividend stock has been paying shareholder dividends since 1881 without missing even one payment since it began. The $58.36 billion market capitalization Canadian telecom giant has consistently grown its customer base and generates billions of dollars in revenues each year.

The company is slated to become one of the top players in Canada's 5G space as the new technology becomes commonplace in the coming years. The advent of the new technology and its strong position to capitalize on it could significantly boost its revenues for several years. It means that you can expect the stock to deliver stellar shareholder returns through rising dividend payouts for several years.

At writing, the stock is trading for $64.43 per share and boasts a juicy 5.43% dividend yield.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a no-brainer for many investors seeking Canadian dividend stocks that pay shareholder dividends at a high yield for a substantial passive income. The $106.35 billion market capitalization energy infrastructure company has paid shareholder dividends for over 66 years, raising its dividends by a compound annual growth rate (CAGR) of 10% in the last 26 of them.

The company enjoys a wide enough economic moat to deliver a dividend hike of 3% in 2020 despite the challenges posed by the global health crisis. Now that the worst of the pandemic is in the past, investors can expect the company to continue delivering dividend hikes in the coming years.

The stock is trading for $52.32 per share at writing, and it boasts a juicy 6.38% dividend yield that you could lock into your portfolio.

Foolish takeaway

Investing in the right income-generating assets like Canadian dividend stocks could be an excellent method to create your retirement nest egg.

If you use the contribution room in your Tax-Free Savings Account (TFSA) to hold your investments and reinvest the shareholder dividends, you can unlock the power of compounding to accelerate your wealth growth. By the time you retire, you could enjoy significant wealth and enjoy tax-free returns on your investments for a more comfortable retirement.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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Author
adamothman