2 Top Canadian Stocks to Watch As the Year Ends

Description

At writing, we are past the halfway mark in November 2021, and the end of the year is looming ever closer. The end of the year can lead to interesting developments on the stock market, with many **TSX** stocks expected to become significant movers around this time.

The **S&P/TSX Composite Index** is up by 23.71% year to date, and the Canadian benchmark indicates that the stock market is arguably in expensive territory right now. Dividend investing is an excellent way for you to put your money to work and generate passive revenues for you. Combining dividend income with stellar shareholder returns through capital gains could help you significantly grow your wealth.

Today, I will discuss two Canadian dividend stocks with an excellent history of providing shareholder dividends that are also well-positioned to go on a strong bull run toward the end of the year. Each of the two companies is also likely to continue the bull run into 2022 amid favourable market conditions.

Manulife Financial

Manulife Financial (TSX:MFC)(NYSE:MFC) recently announced its plans to raise its shareholder dividends after the pandemic-induced restrictions were finally lifted earlier in November. After regulators lifted restrictions, the company took less than a day to announce its plans to raise its shareholder dividends. The quick move indicates confidence in the management regarding the company's outlook as economic conditions improve.

At writing, the stock is trading for $24.87 per share, boasting a juicy 5.31% dividend yield. Manulife stock is trading for 7.04 times sales at its current levels, making it very attractively priced. The Canadian insurance space expects to go through a boost due to the anticipation of interest rates increasing in the coming months. Buying its shares right now could be an opportunity to capitalize on a significant upside potential as the year ends.

Royal Bank of Canada

It is hard for Canadian investors to go wrong when they are considering investing in shares of any of the Big Six Canadian banks, and the **Royal Bank of Canada** (TSX:RY)(NYSE:RY) is the leader in the industry. The $188.23 billion market capitalization bank is the largest among its peers in Canada and a significant core holding for many investor portfolios in Canada.

The stock is the epitome of high-quality blue-chip stocks, and at writing, the RBC stock is trading for $132.45 per share, boasting a juicy 3.26% dividend yield. At its current levels, the stock's valuation is over 12 times sales, making it a slightly expensive stock to own, but it could be worth the price. While it has yet to announce such a move, investors can expect its shareholder dividends to increase after the restrictions were lifted by the government.

The bank stock is up by almost 27% year to date and could deliver stellar growth in the coming years.

Foolish takeaway

The Canadian financial sector is looking poised to deliver stellar shareholder returns in the coming months and setting itself up for a strong long-term future. The announcement by the Office of the Superintendent of Financial Institutions to lift COVID-19-related restrictions on dividend hikes in the financial sector will see many banking and wealth management companies raise their shareholder dividends, further boosting dividend income.

Manulife Financial stock and Royal Bank of Canada stock could be ideal assets to consider adding to your portfolio as the year ends.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:RY (Royal Bank of Canada)

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