TFSA Investors: 3 Dividend Stocks Bound for a Boost

Description

The Tax-Free Savings Account (TFSA) is a solid way to create wealth. One of the easiest ways to do this is by investing in dividend stocks. Dividend stocks provide passive income both through returns and through quarterly or even monthly dividends. And in your TFSA, all that cash can be taken out tax-free whenever you need it!

But what's even better is that analysts believe 2022 could be the year of dividend stocks. After all that growth in shares, it was a pretty boring time for dividend increases. That came from the pandemic and market crash putting a halt to dividend hikes. But that's about to change.

So without further ado, here are three of the top dividend stocks bound for a boost.

CIBC

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is set to announce its earnings on December 2, 2021. Yes, that's tomorrow at the time this article is published. But even if you're reading this a week later, CIBC stock is one of the best dividend stocks to consider for a dividend hike.

CIBC stock already has the highest dividend of the Big Six Banks. At writing, that dividend yield sits at 4.01%. Some of its peers have already come out with dividend hikes as well, jumping in the double digits. And what's more, analysts believe not only will Big Six Banks like CIBC stock receive a major jump in 2022 but in 2023 as well to make up for the slump.

CIBC stock is one of the dividend stocks that remain strong even during the pandemic. Inflation rising is good for the company, and of course the growth in the economy. So investors looking for solid, stable income would do well to consider this bank.

Cenovus

Cenovus Energy (TSX:CVE)(NYSE:CVE) has insiders buying up the company again and again, yet it remains undervalued. Even in the face of rising oil prices, Cenovus stock remains a diamond in the rough. This comes from its merger with Husky that's brought about over $1 billion in synergies this year alone.

Yet it hasn't been that impressive among dividend stocks. The company currently has a dividend yield of just 0.88%. However, all this growth will certainly lead to a dividend boost in no time. As mentioned, the rise in oil price and production has analysts believing energy dividend stocks will boost their yield in the new year. And that includes Cenovus.

As insiders buy the stock in bulk, shares continue to climb, more than double where it was at the beginning of 2021. As some of its peers continue to hike dividends, Motley Fool investors see a major jump as soon as the next quarter.

Chartwell

Then there's one of the more obvious places where we'll see dividend hikes, and that's in real estate. In fact, in a post-pandemic world, retirement homes like **Chartwell Retirement Residences** (TSX:CSH.UN) could very well see a major dividend hike in the new year.

Analysts believe that among real estate companies, Chartwell should outperform the sector in 2021. Occupancy recovery was underway during the last quarter, with cash on hand as it continues to push through the pandemic. Even amongst the hardship, Chartwell managed to continue paying its dividend, currently at 5.37%.

But this remains a short-term problem that long-term investors can consider as an opportunity. It's already underway, according to analysts, with retirement occupancy remaining stable at 76.6%. The next step to stability is a recovery in 2022, and that's likely to see a dividend hike as well. As the market grows, Chartwell should grow as much as 5% next year. That would see a significant increase in revenue as well as its dividend.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CVE (Cenovus Energy Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:CSH.UN (Chartwell Retirement Residences)
5. TSX:CVE (Cenovus Energy Inc.)

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