



2 TSX Dividend Stocks to Buy in December

Description

Canadians who have been content with setting aside their savings and storing it as cash are realizing that rising inflation rates effectively devalue their money. Setting aside some money from your income is necessary, but letting it sit idly instead of investing the money and growing its value effectively makes it worth less as living costs continue to rise.

[Dividend investing](#) is one of the best ways to make your money work for you and grow your savings. Investing your money in the [right dividend-paying stocks](#) can bolster your account balance with regular shareholder dividends. The additional wealth growth through capital appreciation can provide you with a significant boost as well.

Today, I will discuss two dividend stocks trading on the TSX that you could consider investing in for this purpose.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) stock is one of the cheapest ways for you to gain exposure to the green energy industry in North America. The stock is trading for \$17.54 per share at writing, down by 15.59% year to date, and it boasts a juicy 4.89% dividend yield.

The utility stock is down, as COVID headwinds took a toll on its growth, but the stock could be a value proposition for investors interested in capitalizing on the growing demand for green energy.

The capital-intensive nature of utility stocks might make investors consider high-interest-rate environments as a negative factor that could affect profitability. However, the modest headwinds might not eat too much into the company's profits to impact shareholder dividends.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) stock could be well positioned to benefit from a higher

rate environment. TD Bank stock's performance has been decent in the last few quarters. The recent downturn on the TSX has seen all 11 primary sectors tumble, led by the energy industry. However, the banking industry might offer the stability you need in your portfolio today.

Shares of Canada's second-largest bank are trading for \$93.59 per share at writing. The stock is down by 2.62% in a matter of a few days of trading, but it could be an ideal opportunity to pick up its shares on the dip. TD stock boasts a juicy 3.38% dividend yield that could provide you with significant long-term wealth growth through shareholder dividends.

Foolish takeaway

Making defensive picks on the TSX by investing in income-generating assets that can weather harsh economic environments and offer reliable shareholder dividends could be ideal for investors to consider. The inflation rate in Canada is just over 4% in Canada, and that means that your investment portfolio should provide you with at least 4% in shareholder dividends to ensure that you can keep pace with inflation.

Between Algonquin Power stock and TD Bank stock, you could achieve the wealth growth necessary to keep pace with inflation rates. The additional boost through [capital appreciation](#) over the years could provide you the opportunity to beat the rising inflation and significantly grow your wealth.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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