



## RRSP Investors: 2 Top TSX Dividend Stocks for 2022

### Description

Canadians are lining up top stocks to add to their self-directed [RRSP](#) in 2022. The overall market appears overbought right now, but [retirement investors](#) can still find some good stocks to buy at reasonable prices.

### TD Bank

TD ([TSX:TD](#))([NYSE:TD](#)) generated big profits in fiscal 2021, and the trend should continue in 2022.

Canada's second-largest bank by [market capitalization](#) has strong operations in both Canada and the United States. In fact, TD has more branches in the U.S. than it does in the home market.

The economic recovery is expected to continue in both countries in 2022. This bodes well for TD's personal banking, commercial banking and wealth management segments. Higher interest rates are likely on the way in 2022. While this could put pressure on highly leveraged borrowers, the overall impact should be positive for TD, as it can generate higher net interest margins on loans and secure better returns on fixed-income investments.

TD has a large Canadian residential mortgage portfolio. Higher borrowing costs might slow down the hot housing market, but home and condo demand will remain robust, and prices are expected to continue their upward trend. Immigration could be the big driver of the property market in the next few years. Canada met its target of 401,000 new permanent residents in 2021 and [intends to add 1.2 million](#) over the three-year period of 2021-2023.

TD just raised its dividend by 13% and is buying back stock. The bank is sitting on a large pile of excess cash it built up to ride out the pandemic. Another large dividend hike could be on the way in the first half of 2022, and it wouldn't be a surprise to see TD announce a significant acquisition to drive growth.

The stock trades at a reasonable 12.5 times earnings and offers a 3.7% dividend yield.

## TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is a giant in the North American energy infrastructure industry with \$100 billion in assets located in Canada, the United States, and Mexico.

The company's main operations centre around the transmission and storage of natural gas. The fuel is used to heat millions of homes and businesses in Canada and the United States and is steadily replacing oil and coal for power production around the world, as countries transition to renewable energy.

Power shortages from renewable energy in 2021 highlighted the risks of relying on wind, solar, and hydroelectric facilities. Unreliable weather conditions and drought can drastically impact renewable energy power supplies. As a result, fuel-fired power production will be around for decades, and natural gas is the current top choice due to its much lower carbon emissions when compared to oil and coal.

TC Energy has the infrastructure in place or under construction to get North American natural gas from producers to liquified natural gas (LNG) terminals where it can be shipped around the world to countries that do not have natural gas resources.

The stock appears [undervalued](#) right now near \$60 per share and provides a solid 5.75% dividend yield. The board intends to raise the payout by 3-5% per year over the medium term, supported by the \$29 billion capital program.

## The bottom line for RRSP investors

TD and TC Energy are leaders in their industries and have delivered attractive total returns for buy-and-hold RRSP investors. If you have some cash to put to work in a self-directed RRSP focused on top dividend stocks TD and TC Energy deserve to be on your radar for 2022.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSE:TRP (Tc Energy)
3. TSX:TD (The Toronto-Dominion Bank)
4. TSX:TRP (TC Energy Corporation)

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