RRSP Investors: 2 Top TSX Dividend Stocks to Buy Right Now

Description

Canadian savers are getting their final RRSP contributions lined up to meet the March 1, 2022, deadline for the 2021 income year. Stock prices soared in 2021, but investors can still find quality dividend stocks that offer attractive yields and trade at reasonable levels.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a giant in the North American energy infrastructure sector. The company moves 25% of the oil produced in the U.S. and Canada and 20% of the natural gas used in the United States. With a market capitalization of more than $105 billion, Enbridge has the firepower to make strategic acquisitions to drive growth. The company is also investing in organic growth opportunities across its asset portfolio.

Investors have focused on the oil pipeline woes in recent years. It is true that getting a new major oil pipeline approved and built is now very difficult, if not nearly impossible. However, oil demand is not going to drop for some time, and producers still need to get their product to refineries or storage facilities. As a result, existing pipeline infrastructure should become more valuable.

Enbridge announced $1.1 billion in new investments for 2022 that are focused on the renewable energy and natural gas segments of its business. These groups should continue to grow in the coming years to support revenue and cash flow expansion.

Enbridge raised the dividend by 3% for 2022 and is buying back up to 1.53% of its stock. The share price is up in recent weeks but still trades below the 12-month high and offers a 5.4% dividend yield.

Telus

Telus (TSX:T)(NYSE:TU) is best known for its world-class wireless and wireline communications networks that provide Canadians with mobile, internet, and TV services. The company is the second-largest player in a lucrative domestic market with few competitors and continues to make the investments needed to drive revenue and cash flow growth.

Telus is wrapping up its conversion from legacy copper lines to fibre optic connections for most of its customers this year. At the same time, Telus is using the new 3,500 MHz spectrum it purchased for $1.9 billion in 2021 to expand its 5G network.

Management says the heavy capital spending should be over by the end of next year. This means more cash should be available for dividend increases and potential share buybacks starting in 2024.

Telus avoided the temptation to buy media assets and sports teams and has instead directed investments into segments where it can leverage its strengths to drive digital disruption. Telus Health, for example, is growing at a rapid pace, supported by the large shift over the past two years to virtual care.

Telus Agriculture is another interesting subsidiary. The group is using digital solutions to help farmers make their businesses more efficient.

Telus has a great track record of dividend growth, and investors should see that trend continue in the coming years. At the time of writing, the stock provides a 4.4% dividend yield.

The bottom line on top TSX dividend stocks for RRSP investors

Enbridge and Telus are leaders in their respective industries and pay attractive dividends that should continue grow. If you have some cash to put to work in a self-directed RRSP, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TU (TELUS)
3. TSX:ENB (Enbridge Inc.)
4. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/09/11
Date Created
2022/01/17
Author
aswalker