TFSA Investors: 2 Dividend Stocks to Buy With $6,000

Description

Last year, the Canadian government announced that the annual contribution to the Tax-Free Savings Account (TFSA) would remain at $6,000 in 2022. That would bring the cumulative contribution room for a TFSA to a whopping $81,500. Today, I want to look at two dividend stocks that are worth spending that $6,000 contribution room on this year. Let's jump in.

Why this dividend stock is perfect for your TFSA in 2022

Manulife Financial (TSX:MFC)(NYSE:MFC) is a Toronto-based company that operates in the insurance and financial service space. Shares of this dividend stock have climbed 6.8% in 2022 as of close on March 28. However, the stock is down 1.3% in the year-over-year period. Manulife is on track for strong growth, as the insurance and financial services sectors are geared up for big growth in Asia. TFSA investors should take notice in late March.

The company released its fourth-quarter and full-year 2021 results on February 9, 2022. Manulife delivered net income of $7.1 billion — up from $1.2 billion in the previous year. Meanwhile, core earnings increased 26% on a constant exchange rate basis to $6.5 billion. Moreover, Global Wealth and Asset Management net inflows reached $27.9 billion compared to $8.9 billion in 2020. Better yet, APE sales climbed 13% to $6.1 billion.

On the topic of its Asia-based growth, Manulife unveiled its business highlights in 2021. It completed its acquisition of Aviva Vietnam and expanded the reach of its agency force in China. Moreover, it increased the number of its contract agents to over 117,000.

Shares of this dividend stock currently possess a very favourable price-to-earnings (P/E) ratio of 7.5. TFSA investors can also count on its quarterly dividend of $0.33 per share. That represents a solid 4.9% yield.

Here's another dividend stock to spend your remaining room on

The oil and gas bull market has been roaring since the beginning of 2021. That should spur TFSA investors to look to equities in this space. **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) is a Calgary-based company that is engaged in the acquisition, exploration, development, production, marketing, and sale of crude oil, natural gas, and natural gas liquids (NGLs). This dividend stock has increased 42% in the year-to-date period.

This company unveiled its final batch of 2021 earnings on March 3. Management reflected on the rough state of the oil and gas market at the beginning of the COVID-19 pandemic. Since then, the price of oil has soared. Canadian Natural Resources posted net earnings of $2.53 billion in the fourth quarter of 2021 — up from $749 million in Q4 2020. Meanwhile, its generated approximately $3 billion in free cash flow. Its revenue for the quarter rose to $9.21 billion compared to $5.02 billion in the prior year.

TFSA investors can also count on value, as this dividend stock last had an attractive P/E ratio of 12. Canadian Natural Resources now offers a quarterly dividend of $0.75 per share, representing a 3.8% yield.

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Date
2025/08/15
Date Created
2022/03/29
Author
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