



TFSA Investors: 4 Brilliant Dividend Stocks to Buy

Description

Risk aversion should take precedence over risk taking during complex environments like today. If you're drawing passive income or building [retirement wealth](#) in your Tax-Free Savings Account (TFSA), be sure the assets in your account are reliable dividend payers.

Assuming you plan to maximize your contribution limit or available contribution room in 2022, narrow down the choices to four brilliant dividend stocks.

Energy

Energy is the TSX's hottest sector since 2021. Nearly all oil companies made incredible comebacks last year after a tumultuous COVID year. However, their bull run could end if oil prices tank again. Some oil sands players might report steep losses this quarter due to crude oil price hedging.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the no-brainer option if you want to stay invested in the volatile energy sector. The \$118.4 billion energy infrastructure company hasn't disappointed investors, as evidenced by the 27 consecutive years of dividend increases.

At \$58.32 per share (+19.9% year to date), you can partake of the 5.86% dividend. Its four franchises (liquids pipelines, gas distribution, gas transmission, and renewables) collectively generate predictable cash flows. Likewise, each one has organic growth opportunities to drive cash flow growth further.

Financial

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is back as Canada's most valuable publicly listed company. This \$192.4 billion lender dethroned **Shopify**, indicating an enduring business compared to the tech superstar. TFSA investors can take comfort in the big bank's 152-year dividend track record.

RBC's 3.52% dividend yield isn't the highest on the TSX, but you're buying peace of mind at \$136.45 per share. Based on the latest RBC Retirement Myths & Realities Poll, 83% of [not-yet-retired Canadians](#)

(over 50 years old) say they have saved less than what they need in retirement.

The results from RBC's biennial survey should prompt TFSA users to utilize their investment accounts if finances allow. Canada's largest lender is also an [ideal anchor](#) in your TFSA.

Telecommunications

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest telecom and the most dominant in the oligopoly. Moreover, the industry leader also boasts a dividend track record of more than 100 years. This 5G stock has both dividend power and dividend growth. Besides the 5.05% dividend yield, the \$66.37 billion company has a dividend-growth streak of 14 consecutive years.

Mirko Bibic, president and CEO of BCE and Bell Canada, said about the 2021 earnings, "We've achieved our objective of steadily improving since Q2 of 2020, and in fact, we're now essentially at 2019 levels." BCE trades at \$72.85 per share, which is value for money. The total return in 46.31 years is 85,417.29% (15.69% CAGR).

Utilities

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is on track to become TSX's second Dividend King after **Canadian Utilities**. Its dividend-growth streak stands at 48 years. If the \$30.69 billion regulated electric and gas utility company increase dividends this year and in 2023, it would earn Dividend King status.

The increases are sure since Fortis plans a 6% average annual dividend growth through 2025. Its \$20 billion capital plan (2022-2026) would increase rate base to \$41.6 billion by 2026. If you invest today, the share price is \$64.51, while the dividend yield is 3.26%.

Strong headwinds

The TSX is resilient, but strong headwinds like soaring inflation and geopolitical tensions could upset the landscape. Thus, TFSA investors should play it safe and stick to brilliant stocks only.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:RY (Royal Bank of Canada)
5. TSX:BCE (BCE Inc.)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
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