



RRSP Investors: 2 Great TSX Stocks to Buy for Total Returns

Description

Canadian [retirement](#) savers are searching for good stocks to buy for their self-directed RRSP portfolios. The recent pullback in the **TSX Index** is giving investors a chance to buy some top Canadian [dividend stocks](#) at cheap prices.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) has given investors a dividend every year since 1829. The bank raised the distribution by 25% for fiscal 2022 and another generous increase is likely on the way for next year.

Bank of Montreal has built significant excess cash over the past two years. The bank is using the funds to make a US\$16.3 billion acquisition in the United States. The purchase of Bank of the West will boost Bank of Montreal's existing presence in the United States, adding more than 500 branches and giving the U.S. subsidiary, BMO Harris Bank, a good foothold in the California market where 70% of Bank of the West's deposits are located.

Bank of Montreal stock trades near \$134 per share at the time of writing compared to a 2022 high above \$154. The stock now trades at just 10.3 times trailing 12-month earnings and provides a 4% dividend yield.

Long-term investors have done well with BMO stock. A \$10,000 investment in the shares 25 years ago would be worth more than \$135,000 today with the dividends reinvested.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) raised its dividend in each of the past 27 years. Annual distribution hikes might not be as large as in the past, but Enbridge is still generating steady revenue and cash flow growth through its capital program and acquisitions.

The company owns strategic oil and natural gas transmission infrastructure that should continue to increase in value in the coming years and decades. It is difficult to get new large pipeline projects approved and built, so the existing lines should be worth more as demand continues to rise for Canadian and U.S. oil and natural gas.

Enbridge gets steady revenue from its natural gas distribution utility businesses and is expanding its solar, wind, and geothermal investments. Enbridge is also positioned well to tap the new demand for carbon capture and storage services as high emitters look for solutions to meet their net-zero targets. Hydrogen is another promising segment that Enbridge is evaluating.

The board raised the dividend by 3% for 2022. Distributable cash flow is expected to increase by 5-7% annually over the medium term. At the time of writing, the stock trades for \$58 per share and provides a 5.9% dividend yield.

A \$10,000 RRSP investment in Enbridge stock 25 years ago would be worth more than \$285,000 today with the dividends reinvested.

The bottom line on top RRSP stocks for total returns

Bank of Montreal and Enbridge have great track records of delivering dividend growth and attractive total returns for investors. Future results are not guaranteed to be the same as over the past two decades, but these stocks still deserve to be anchor picks. If you have some cash to put to work in a self-directed RRSP, Bank of Montreal and Enbridge deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
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