
# Retirement Investors: 2 Oversold Stocks With Great Dividend Growth

### Description

The market pullback is giving investors a chance to buy top TSX dividend stocks at cheap prices for their TFSA and RRSP portfolios.



## BCE

**BCE** (TSX:BCE)(NYSE:BCE) raised its dividend by 5% this year. It was the 14th consecutive annual increase of 5% or better.

The communications giant is a good stock to consider in the current era of high inflation and economic uncertainty. BCE has the power to raise rates on its services to offset higher costs. In addition, households and businesses need to have mobile and internet services regardless of the state of the economy. BCE is not immune to recessions, but the revenue stream should hold up well compared to businesses that derive sales from discretionary spending.

The stock has a strong track record of delivering attractive total returns for investors, making it a solid pick for those looking to build retirement wealth in a self-directed RRSP as well as a top choice for TFSA investors seeking passive income.

BCE trades near $68 per share at the time of writing compared to the 2022 high around $74. Investors who buy now can pick up a solid 5.4% dividend yield.

## Bank of Nova Scotia

**Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) just reported good results for its latest quarter and is giving investors another raise. The board plans to increase the dividend by 3%. That's on top of the 11% hike the company implemented late last year.

Bank of Nova Scotia's international business saw adjusted net income surge nearly 50% in fiscal Q2 to more than $600 million. The pandemic hit the division hard, but economic conditions are improving in

Mexico, Peru, Chile, and Colombia, where the bank has most of its foreign operations. These countries should benefit from the rebound in oil and copper prices in the near term. Down the road, Bank of Nova Scotia has attractive growth potential in these markets, as the middle class expands and demand grows for loans and investment products.

The stock trades close to $83 at the time of writing. That’s down from $95 earlier this year. Investors are concerned that the Bank of Canada and the U.S. Federal Reserve will cause a recession by raising interest rates in an effort to bring down inflation. This would potentially lead to reduced borrowing by business clients. At the same time, higher mortgage are expected to cool down the hot residential housing market.

These headwinds are worth considering when evaluating the stock, but the challenges are likely already reflected in the share price.

Investors who buy Bank of Nova Scotia stock at the current price can get a dividend yield of close to 5% and simply wait for the next rebound in the bank sector.

## The bottom line on top dividend stocks for a retirement portfolio

BCE and Bank of Nova Scotia are top TSX dividend stocks that should continue to raise their payouts in the coming years. If you have some cash to put to work in a retirement portfolio right now, these stocks look cheap and deserve to be on your radar.



**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)

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