RRSP Wealth: 2 Cheap TSX Dividend Stocks to Buy for Total Returns

Description

The market correction is finally providing RRSP investors with a good opportunity to buy top TSX dividend stocks for a self-directed pension.

Telus

Telus (TSX:T)(NYSE:TU) trades near $28.50 at the time of writing compared the 2022 high above $34.50. The current price offers RRSP investors a solid 4.75% yield with steady dividend growth on the way and a decent shot at booking attractive total returns when the stock rebounds.

Telus is making the required investments to ensure its mobile, internet, and TV subscription businesses continue to provide customers with world class broadband service. The company is wrapping up its copper-to-fibre conversions and is investing heavily in the expansion of the 5G network. Telus spent $1.9 billion last year on new 3,500 MHz spectrum that will be the foundation for the continued 5G rollout.

Telus is unique among its peers in that it has invested beyond traditional communications and media to drive future growth.

Telus Health is already a leader in providing Canadian doctors, insurance companies, and hospitals with digital health solutions. The company just announced an agreement to buy **LifeWorks** for $2.3 billion in a move that puts Telus at the forefront of the emerging digital health industry catering to employer-based healthcare.

Management expects to raise the dividend by 7-10% per year through 2025, so investors have good dividend-growth guidance in a challenging environment.

TD Bank

TD (TSX:TD)(NYSE:TD) trades near $86.50 at the time of writing compared to $109 earlier this year.

The stock looks oversold after the rout over the past four months and now offers investors a decent 4.1% dividend yield.

TD raised the payout by 13% late last year. It refrained from hiking the payout again when the fiscal Q2 2022 results came out, but investors should see another generous increase for fiscal 2023. TD is in the process of buying **First Horizon**, a U.S. bank, for US$13.4 billion. The deal will expand TD's existing American business in the U.S. southeast, adding more than 400 branches and making TD a top-six bank in the American market.

Owning the stock is an attractive way to get exposure to U.S. economic growth through a leading Canadian bank.

The stock price could drift lower as markets try to figure out how rising interest rates with impact the Canadian and U.S. economies in the next couple of years. Canadian investors are also watching the housing market for signs of a potential meltdown.

Despite the near-term uncertainty, TD should be a good stock to buy at the current price, and investors can add to the position on any additional downside. Buying TD on big pullbacks typically rewards patient investors with strong total returns.

The bottom line on top stocks for RRSP total returns

Telus and TD are top Canadian dividend stocks with payouts that should continue to grow in the coming years. If you have some cash to put to work in a buy-and-hold, self-directed RRSP focused on total returns, these stocks deserve to be on your radar right now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSE:TU (TELUS)
3. TSX:T (TELUS)
4. TSX:TD (The Toronto-Dominion Bank)

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
2025/07/05
Date Created
2022/06/21
Author
aswalker