2 Cheap TSX Dividend Stocks to Buy Now for a TFSA Retirement Portfolio

Description

The market pullback is providing TFSA and RRSP investors with a chance to buy top TSX dividend stocks at discounted prices for a self-directed retirement portfolio.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a leader in the North American energy infrastructure industry with a unique network of oil and natural gas pipelines transporting 30% of the oil produced in Canada and the United States and 20% of the natural gas used by Americans.

Global demand for oil and gas produced in the U.S. and Canada is rising. Europe wants to secure reliable liquified natural gas (LNG) supplies in its effort to end the reliance on Russia for the fuel. LNG shipments from the U.S. Gulf Coast to Europe will grow considerable in the next few years. Enbridge is poised to benefit from this development, as it serves as a link from producers to the LNG sites. Oil exports are also ramping up and Enbridge is already seeing the benefits from its US$3 billion purchase of a strategic oil export terminal last year.

Looking ahead, Enbridge is tapping its expertise to explore hydrogen and carbon capture opportunities as part of the shift to reduce emissions. Enbridge also has natural gas utilities and renewable energy assets that round out the revenue stream.

ENB stock appears attractive at the current price and provides investors with a solid 6.3% dividend yield. Enbridge raised the payout in each of the past 27 years and steady dividend growth should be on the way, supported by rising distributable cash flow.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) trades near $75 per share at the time writing compared to the 2022 high of $95. Investors who buy the stock at the current level can pick up a solid 5.5% dividend yield and wait for the banking sector to rebound.

Investors sold bank stocks in recent months due to rising recession fears. An economic slowdown is widely expected in the next year or two, driven by high inflation and interest rate increases designed to bring inflation under control. Soaring prices are eating into people's savings. A jump in mortgage costs will put added pressure on household budgets. Banks will likely see a surge in loan defaults as a result.

At this point, however, the headwinds for Bank of Nova Scotia and its peers are probably reflected in the share prices. In fact, the pullback looks overdone. Analysts expect an economic downturn to be mild and short. Even if things get really ugly in the housing market, Bank of Nova Scotia has a strong capital position to ride out the turbulence.

BNS stock looks undervalued right now and should be a solid buy-and-hold pick for a portfolio focused on total returns.

The bottom line on top value stocks to buy now

Enbridge and Bank of Nova Scotia pay attractive dividends that should continue to grow in the coming years. If you have some cash to put to work in a TFSA or RRSP portfolio, these stocks look cheap today and deserve to be on your radar.

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aswalker