



## RRSP Investors: 2 Top TSX Dividend Stocks on Sale to Buy Now

### Description

The market correction is giving self-directed RRSP investors a chance to buy top Canadian dividend stocks at [undervalued](#) prices for their retirement portfolios focused on generating attractive total returns.

### TD Bank

**TD** ([TSX:TD](#))([NYSE:TD](#)) is a giant in the Canadian financial industry with a current market capitalization of \$149 billion. The business performed well during the pandemic, driven by a strong housing market and aggressive government assistance programs that enabled households and businesses to make loan payments during the lockdowns.

TD built up a large cash reserve that it ultimately didn't need to use to offset loan defaults and is now using the excess funds to drive growth. TD is in the process of buying First Horizon, a U.S. bank with operations in the southeastern United States, for US\$13.3 billion. The deal will add more than 400 branched to the U.S. business that already runs from Maine to Florida and will make TD a top-six bank in the American market.

This is a good stock to buy for RRSP investors who want exposure to U.S. economic growth through a top Canadian financial institution.

TD stock trades near \$82 per share at the time of writing compared to \$109 earlier this year. The pullback appears overdone, even as recession fears mount. Investors who buy at this level can pick up a solid 4.3% dividend yield.

TD raised the dividend by 13% late last year. Investors should see another generous increase for 2023.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a major player in the North American energy infrastructure industry. The company transports 30% of the oil produced in Canada and the United States, making

Enbridge strategically important for the smooth operation of the two economies. Enbridge's natural gas distribution utilities in Canada deliver fuel right to the buildings of millions of residential and commercial clients. The natural gas transmission network in the United States moves 20% of the natural gas used by Americans.

Enbridge should see strong demand for its services in the coming years, as energy producers find more international buyers. Europe is looking to secure reliable liquified natural gas (LNG) supplies as it shifts away from Russia. Demand for Canadian and American oil is also expected to be strong. Enbridge is taking advantage of the export trends. The company bought an oil export terminal for US\$3 billion last year. Enbridge is also building new natural gas infrastructure to deliver the fuel to LNG facilities.

ENB stock is down to \$54.50 from the 2022 high above \$59.50 and now offers a 6.3% dividend yield. The board raised the payout by 3% for 2022.

## The bottom line on cheap TSX dividend stocks for RRSP investors

TD and Enbridge are leaders in their industries and pay attractive dividends that should continue to grow. The stocks look cheap today and deserve to be on your radar for a self-directed RRSP focused on total returns.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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**Date**

2025/08/28

**Date Created**

2022/07/13

**Author**

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