



## 2 Top TSX Dividend Stocks for New RRSP Investors

### Description

Canadian savers have used their [RRSP](#) contribution space to build retirement portfolios for decades. One popular [investing strategy](#) to build wealth involves buying top [TSX](#) dividend stocks and using the distributions to acquire new shares through the company's dividend-reinvestment plan (DRIP).

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) just reinstated its DRIP with a 2% discount provided on share purchased under the plan. The company reported solid second-quarter (Q2) 2022 results with comparable earnings before interest, taxes, depreciation, and amortization (EBITDA) of \$2.37 billion compared to \$2.25 billion in the same period last year.

TC Energy has a \$28 billion capital program on the go that management says will drive EBITDA growth of 5% per year over the medium term. This is expected to support steady dividend increases. Investors should see the payout rise by 3-5% annually through 2026. The stock currently looks [undervalued](#) around \$65.50 per share and provides a 5.5% dividend yield. TC Energy traded as high as \$74 in June, so investors have a chance to buy the shares on a decent dip. The board raised the dividend in each of the past 22 years.

TRP stock is a good buy for investors who want to get exposure to growing global demand for North American natural gas. TC Energy owns and operates more than 90,000 km of natural gas pipelines in Canada, the United States, and Mexico. The assets in place or under construction connect producers to liquified natural gas (LNG) facilities that can ship the fuel to overseas buyers. Europe is looking for reliable LNG supplies to replace its reliance on Russia. At the same time, utilities around the globe are switching from oil and coal to natural gas to produce power in an effort to reduce emissions.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) trades for less than \$65 per share compared to the 2022 high around \$74. The stock looks cheap at the current price and provides investors with a solid 5.7% dividend yield.

BCE has increased the dividend by at least 5% in each of the past 14 years. Investors should see the streak continue.

BCE reported strong Q2 2022 results. Adjusted net earnings increased 5.3% to \$791 million compared to the same period last year. Free cash flow rose 7.1% and BCE says it is on target to hit its goal of 2-10% free cash flow growth for the year.

BCE continues to invest in network upgrades with \$5 billion earmarked this year to expand the [5G](#) mobile network and the direct connection of fibre optic lines to business and residential clients.

BCE is a good stock to buy for investors who are concerned about high inflation and the risk of a recession. BCE has the power to raise prices when its costs increase, and the revenue stream tends to be resilient due to the essential nature of the mobile and internet services the company provides.

## The bottom line on top stocks to start a self-directed RRSP

BCE and TC Energy are leaders in their respective industries and pay attractive dividends that should continue to grow. If you have some cash to put to work in a TFSA focused on dividends and total returns, these stocks look cheap today and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:TRP (TC Energy Corporation)

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1. aswalker
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aswalker

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