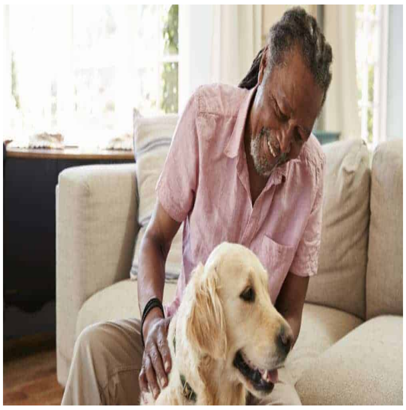

3 Great Canadian Dividend Stocks to Buy Now for a Retirement Portfolio

Description

The market correction is giving Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP) investors a chance to buy top TSX dividend stocks at undervalued prices.

TD Bank

TD (TSX:TD) trades near $81 per share at the time of writing and offers investors a 4.4% dividend yield. The bank raised the dividend by 13% for fiscal 2022, and investors should see another double-digit boost for next year, even with challenging economic conditions on the horizon.

TD increased the dividend by a compound annual rate of better than 10% over the past 25 years. Investors who buy TD stock on big dips tend to do very well over the long haul. A $10,000 investment in TD stock 25 years ago would be worth more than $150,000 today with the dividends reinvested.

TD built up a large cash position during the pandemic and is using a portion of the funds to make two acquisitions in the United States. The purchase of **First Horizon** will make TD a top-six bank in the American market. The acquisition of **Cowen**, an investment bank, will boost TD's capital markets capabilities. The deals should help drive future revenue growth and higher profits.

TD traded as high as $109 at one point this year, so there is decent upside potential on the next rebound.

Fortis

Fortis (TSX:FTS) trades for close to $50 per share at the time of writing. It was at $65 in the spring. The drop in the share price looks heavily overdone, and investors can now get a decent 4.5% dividend yield from the reliable utility stock.

Fortis raised the dividend in each of the past 48 years and expects to boost the payout by an average of 6% per year through 2025. That's good guidance in the current economic climate.

The company gets 99% of its revenue from regulated assets that produce electricity, transmit electricity, and distribute natural gas. These are essential services that homes and businesses need in all economic conditions.

A $10,000 investment in Fortis 25 years ago would be worth about $140,000 today with the dividends reinvested.

Pembina Pipeline

Pembina Pipeline (TSX:PPL) has a 65-year history of serving oil and natural gas producers. The company is a midstream player with pipelines, logistics, gas gathering, gas procession, and propane export assets. Looking ahead, Pembina Pipeline is evaluating opportunities in the carbon capture and liquified natural gas (LNG) segments.

The board recently increased the dividend by more than 3%, supported by solid second-quarter 2022 earnings and a positive outlook for the coming quarters. Pembina Pipeline raised its financial guidance for the year.

The stock is down to $42.50 at the time of writing from $53 in June. The drop gives investors a chance to pick up a 6% dividend yield and simply wait for the market to recover.

The bottom line on top stocks to buy now

TD, Fortis and Pembina Pipeline all pay attractive dividends that should be safe. The stocks all appear undervalued at their current levels and should be attractive picks for a TFSA retirement fund or RRSP portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:FTS (Fortis Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:FTS (Fortis Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:TD (The Toronto-Dominion Bank)

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aswalker