



3 Stocks That Could Help You Retire a Millionaire

Description

The [market correction](#) is giving investors a chance to buy top [TSX](#) dividend stocks at discounted prices. It takes courage to buy when everyone else is selling, but patient investors can generate significant returns over the years, as the market rebounds and great businesses continue to grow.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#)) paid its first dividend in 1829. Since that time, investors have received a distribution every year. The board increased the dividend by 25% near the end of 2021, when the pandemic ban on bank dividend increases ended. Bank of Montreal then increased the distribution by another 4.5% when it announced the results for the fiscal second quarter (Q2) of 2022.

Based on these generous moves, it appears the management team is comfortable with the revenue and profit outlook for the next couple of years, even as the banking sector faces some economic headwinds.

Bank of Montreal is using excess cash it built up during the pandemic to make a large acquisition in the United States. The US\$16.3 billion purchase of **Bank of the West** will add more than 500 branches to the existing American division and give Bank of Montreal a good foothold in California.

BMO stock currently trades near \$115 per share compared to \$154 earlier this year. Investors who buy the stock at the current price can pick up a 4.8% dividend yield.

TC Energy

TC Energy ([TSX:TRP](#)) owns and operates more than 93,000 km of natural gas pipelines and over 650 billion cubic feet of natural gas storage capacity in Canada, the United States, and Mexico. Natural gas demand is rising around the globe, as countries switch from oil and coal to natural gas to produce electricity.

Canadian and U.S. natural gas, in particular, is now in high demand, as Europe searches for long-term, reliable supplies to replace gas from Russia. As a result, liquified natural gas (LNG) shipments are expected to grow in the coming years. TC Energy's existing U.S. infrastructure connects producers in the American shale plays to the U.S. Gulf Coast when LNG terminals cool the gas and send it overseas. In Canada, TC Energy is building the Coastal GasLink pipeline that will run from production sites in northeastern British Columbia to a new LNG facility on the B.C. coast.

TC Energy trades below \$55 per share at the time of writing compared to \$74 in June. The drop appears overdone, and investors can now get a 6.6% dividend yield.

Telus

Telus ([TSX:T](#)) provides internet and mobile services to millions of Canadian customers. These are essential services that homes and businesses need regardless of the changing economic conditions. This means the revenue stream should hold up well during a recession.

Telus is near the end of its copper-to-fibre transition. The reduction in capital outlays will free up cash in the next few years that can be used for dividends and share buybacks. Telus has a good track record of dividend growth and normally increases the payout twice per year. Management is targeting average annual dividend increases of 7-10% over the medium term.

Telus trades near \$27 per share at the time of writing compared to \$34 at the 2022 high. Investors can now pick up a 5% yield on the stock.

The bottom line on top stocks to buy for a retirement fund

Bank of Montreal, TC Energy, and Telus are all high-quality businesses that pay attractive and growing dividends. If you have some cash to put to work in a diversified retirement portfolio, these stocks look undervalued today and deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:TRP (Tc Energy)
3. NYSE:TU (TELUS)
4. TSX:BMO (Bank Of Montreal)
5. TSX:T (TELUS)
6. TSX:TRP (TC Energy Corporation)

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