Buy the Dip: 3 TSX Stocks to Buy Today and Hold for 3 Years

Description

The market correction is giving investors a chance to buy top TSX stocks at undervalued prices for a Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP) focused on dividends and total returns.

Fortis

Fortis (TSX:FTS) trades near $53 per share at the time of writing compared to $65 in May. The pullback appears overdone, and investors can now get a solid 4.25% dividend yield from one off Canada's top dividend-growth stocks.

Fortis generated positive third-quarter (Q3) 2022 earnings that show the reliability of the revenue stream from its $64 billion of mostly regulated utility assets. Adjusted net earnings came in at $0.71 per share compared to $0.64 in the same period last year.

The board just declared a dividend increase of about 6%. This is the 49th consecutive annual hike to the distribution.

Fortis announced a new five-year capital program worth $22.3 billion. The resulting increase in revenue and cash flow is expected to support annual dividend increases of 4-6% through 2027.

BCE

BCE (TSX:BCE) is a communications giant providing essential mobile and internet services to homes and businesses across Canada. The company also has a large media business that is home to a television network, specialty channels, radio stations, and sports teams. In addition, BCE has retail outlets that sell phones and other electronic products.

An economic slowdown could impact revenue in the media operations in 2023 or 2024, but the mobile and internet service subscriptions generate the bulk of the company's revenue, and these should hold up well, even through a recession.

BCE reported adjusted net earnings of $791 million in Q2 2022 compared to $751 million in the same period last year. The Q3 results will likely be strong as well.

The stock looks undervalued right now below $62 per share. BCE traded as high as $74 earlier in the year. Investors who buy now can get a dividend yield of 5.95%.

Enbridge

Enbridge (TSX:ENB) operates oil pipelines, natural gas pipelines, oil and gas storage, oil export facilities and renewable energy assets including solar, wind, and geothermal sites.

Looking ahead, Enbridge is investing in liquified natural gas (LNG), hydrogen, and carbon-capture developments that have the potential to drive significant future revenue growth.

The rebound in global fuel demand bodes well for Enbridge's extensive energy infrastructure operations. International buyers are ramping up purchases of Canadian and U.S. oil and natural gas to secure reliable fuel sources. This trend is expected to continue for several years.

Enbridge has strategic pipelines in place that move 30% of the oil produced in Canada and the United States. Opposition to the construction of new pipelines means the value of the existing infrastructure should grow.

ENB stock trades near $53 per share compared to more than $59 in June. Investors who buy at the current price can get a 6.5% dividend yield.

The bottom line on top TSX stocks to buy now

Fortis, BCE, and Enbridge pay attractive dividends that should continue to grow. If you have some cash to put to work in a TFSA or RRSP, these stocks deserve to be on your radar.

CATEGORY

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
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