



2 TSX Dividend Stocks That Will Pay You for Decades

Description

Retirees and younger investors seeking to build a self-directed pension are searching for top dividend stocks to generate passive income and attractive total returns. The [market correction](#) in 2022 is providing investors with an opportunity to buy good [TSX](#) dividend stocks at discounted prices.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#)) has paid a dividend every year for nearly two centuries. That's the kind of reliability investors are looking for when buying dividend stocks, as the economy heads for some potentially rough times.

Bank of Montreal raised the dividend by 25% near the end of 2021 after the government lifted the pandemic ban on bank dividend increases. Investors received another 4.5% increase when the bank reported results for the fiscal second quarter (Q2) of 2022. At the time of writing, the stock provides a 4% dividend yield.

Bank of Montreal built significant excess cash during the pandemic and is now deploying the war chest on a large acquisition. The purchase of **Bank of the West** for US\$16.3 billion will add more than 500 branches to Bank of Montreal's American business, BMO Harris Bank, and will give the company a strong foothold in the California market. Clients in the state represent 70% of the deposits at Bank of the West.

California is a large market with strong growth potential. The deal diversifies Bank of Montreal's revenue stream while giving investors good exposure to the U.S. economy.

Bank of Montreal stock is off the 2022 lows but should still be a solid pick today for a buy-and-hold dividend portfolio.

Enbridge

Enbridge ([TSX:ENB](#)) has raised its dividend in each of the past 27 years, and investors should see steady annual increases in the 3-5% range over the medium term, supported by the current \$17 billion capital program and ongoing strategic acquisitions.

Enbridge has shifted its focus from expanding its oil pipelines to building out its natural gas, renewable energy, and export operations. The company purchased an oil export terminal in Texas last year and recently announced a 30% stake in the \$5.1 billion Woodfibre liquified natural gas (LNG) project being built in British Columbia. In addition, Enbridge purchased a wind and solar project developer in the United States.

Additional opportunities exist in the emerging hydrogen and carbon-capture segments. Enbridge is positioned well to be a leader in these areas in both Canada and the United States.

Enbridge stock has held up well during the 2022 rout. At the time of writing, the shares trade for close to \$56 compared to the 2022 high above \$59. The stock offers an attractive 6% dividend yield at the current share price.

Domestic and international demand for oil and natural gas is expected to grow in the coming years. This bodes well for Enbridge and its shareholders.

The bottom line on top dividend stocks to buy now

Bank of Montreal and Enbridge pay attractive dividends that should continue to grow. If you have some cash to put to work in a portfolio focused on passive income or total returns, these stocks deserve to be on your radar.

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aswalker

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