3 TSX Stocks to Buy Today and Hold Forever

Description

The market correction is giving investors a chance to buy top TSX dividend stocks at discounted prices for self-directed Tax Free Savings Account or Registered Retirements Savings Plan portfolios.

TD Bank

TD (TSX:TD) generated solid 2022 results in a challenging year, and management expects the strong performance to continue in 2023, even in the face of a potential recession.

TD earned adjusted income of $15.4 billion in fiscal 2022 compared to $14.6 billion in fiscal 2021. Operations in both Canada and the United States delivered positive results. Looking ahead, the American business is set to become a much larger contributor to the revenue stream. TD is in the process of acquiring two businesses south of the border. The US$13.4 billion purchase of **First Horizon** will boost TD's presence in the United States by more than 400 branches largely focused on the southeastern part of the country. On completion of the deal, TD will rank as a top-six bank in the American market.

TD is also buying **Cowen**, an investment bank, for US$1.3 billion in a move that will enhance TD's capital markets capabilities.

TD raised the dividend by more than 10% on a compounded annual basis over the past 25 years. Investors should see a decent dividend increase emerge in 2023. The stock appears cheap right now at close to 9.2 times trailing 12-month earnings, and investors can pick up a decent 4.4% dividend yield.

Management is forecasting 7-10% earnings growth in 2023.

Enbridge

Enbridge (TSX:ENB) just raised its dividend by 3.2%. This is the 28th consecutive annual dividend increase. The pullback in the stock to the current price near $52.50 from $59.50 in June appears overdone. Enbridge is on track to hit its 2022 financial targets and is in a good position to deliver steady results in the next few years, supported by growing domestic and international demand for oil and natural gas.

Enbridge moves nearly a third of the oil produced in Canada and the United States. The acquisition of an oil export terminal in Texas for US$3billion in 2021 gives Enbridge a good platform for capitalizing on the expansion of exports from the United States. Enbridge has also taken a 30% interest in the Woodfibre liquified natural gas project in British Columbia, which is expected to go into service by the end of 2027.

Enbridge's $17 billion capital program should drive cash flow growth in the next few years, and investors could see more small acquisitions emerge that will add revenue. At the time of writing, the stock offers a 6.75% dividend yield.

BCE

BCE (TSX:BCE) is another top TSX dividend stock that looks attractive right now. The share price is around $60 compared to $74 earlier this year. Again, the pullback doesn't make much sense considering the solid financial performance of the business in 2022 and the recession-resistant nature of the revenue stream. BCE gets most of its revenue from mobile and internet subscriptions. These are essential services for businesses and households, so they are unlikely to be cut during an economic downturn.

BCE is on schedule to hit its 2022 financial targets, and investors should see a dividend hike in the 5% range for 2023. At the time of writing, the stock provides a 6% dividend yield.

The bottom line on top TSX dividend stocks to buy now

TD, Enbridge, and BCE all pay attractive dividends that should continue to grow. If you have some cash to put to work in a retirement portfolio focused on passing income and total returns, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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