



Passive Income: 2 Dividend Stars to Buy

Description

There's no doubt that it's a great feeling to have your money working for you passively. Fortunately for Canadian investors, the TSX is home to many stocks ideal for a passive income investing strategy.

The type of stocks ideal for this strategy are generally blue-chip star stocks with healthy dividends. Sometimes it may be tempting to chase stocks with higher yields, but that is risky.

Those dividends could seem promising, but if they're not backed by a solid stock they're doomed to be cut. In the end, you could end up worse off by yield hunting rather than sticking with established dividend superstars.

Today, we'll look at two TSX giants that are great choices for a passive income strategy. They both offer unique benefits to investors that shouldn't be overlooked.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the major Canadian bank stocks. As such, its name is practically synonymous with dividend stability.

When it comes to building a passive income portfolio, stocks like BMO should be near the top of the list for investors to check out. This dividend star has paid a dividend every single year since 1829. Moreover, it's increased the dividend for much of that time.

BMO has ample financial cushion with a range of revenue sources that allow it to offer bulletproof dividends to its investors. Combine that with its respectable share price [growth](#) and you have a stock ideal for passive income investing.

As of this writing, BMO is trading at \$147.78 and yielding 3.6%. For investors looking to build out a collection of dividend-paying stocks, BMO is one of the premier choices without doubt.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a large Canadian utility provider with operations across multiple continents. FTS has long been associated with rock-solid [dividends](#) with decent if unspectacular growth prospects.

The key to success for FTS is the way its revenue sources are structured. Utilities have constant demand and since it provides these services through mostly regulated contracts, Fortis' revenue sources are extremely consistent and reliable.

This all translates to FTS being a stock that can resist market forces and provide investors with a solid dividend. A beta of 0.1 tells you this stock tends to avoid moving in lockstep with the broader market, and it comes with a yield of 3.61% as of this writing.

While that yield isn't going to drop jaws to the floor by any means, it's more than respectable when you consider it's attached to a passive income star like FTS. You can expect FTS to consistently offer a solid dividend, even in trying times.

Investors looking for a safe haven for their cash to grow through passive income investing should consider FTS.

Passive income strategy

Both BMO and FTS can be key ingredients to a successful passive income investing recipe. These blue-chip stocks offer Canadian investors reliable dividend income, even during the toughest of times.

Investors looking to scoop up shares of some top TSX dividend stocks should consider these two names.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jageguin
2. jguest

Category

1. Dividend Stocks
2. Investing

Date

2025/07/02

Date Created

2022/03/05

Author

jageguin

default watermark

default watermark