



3 TSX Stocks That Could Generate up to \$6,000 in Passive Income in 2021

Description

When it comes to long-term investing, stability is more important than growth. After all, you don't want to have sleepless nights just for a few percentage points higher return. Most importantly, dividend stocks might lag the broader market in the short term, but they outperform in the long run.

The Canada Revenue Agency levies taxes on almost everything you earn, irrespective of how you earn it. However, the Tax-Free Savings Account (TFSA) is one of the most tax-efficient and convenient options Canadians have.

You can earn tax-free capital gain and [dividend income](#) throughout the holding period within the TFSA. If you have never invested in the TFSA, you will likely have a full contribution room of \$75,500 for 2021.

Here are three top TSX stocks that offer stable passive income.

Enbridge

Top energy midstream stock **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is still trading 25% lower than its pre-pandemic levels. This could be a lucrative opportunity for long-term investors. It has paid \$3.24 per share in dividends in 2020, which indicates an annualized yield of 8%.

It is one of the top-yielding stocks on the TSX. If you invest \$75,500 in Enbridge stock, you will likely generate \$6,000 in dividends annually. The dividend amount will keep increasing every year, as the company's profits grow every year. It has raised dividends in the last 25 consecutive years.

If you are completely avoiding the energy sector because of its underperformance in the last few years, you are not the only one. But that's not sensible.

Midstream energy stocks like Enbridge offer different risk and return characteristics than the entire energy sector. They are low-risk, comparatively stable, and dividend-paying stocks that have outperformed energy producer stocks in the long run.

AltaGas

\$5 billion utility and midstream company **AltaGas** ([TSX:ALA](#)) could be a smarter pick for income-seeking investors. It yields a little higher than 5% and offers monthly [dividend](#) payments. If an investor puts \$75,500 in this TSX stock, they will generate \$3,850 in dividends in 2021 based on its current yield.

AltaGas has a unique combination of natural gas transportation and distribution operations. It operates through three segments: midstream, utilities, and power. The company's utilities segment serves more than 1.6 million customers.

While the utility division generates nearly half of its total earnings, the power segment brings in a relatively smaller portion. Higher exposure to regulated utility operations makes its earnings and dividends relatively stable.

Brookfield Property Partners

Brookfield Property Partners ([TSX:BPY.UN](#))(NYSE:BPY) could be a riskier but remarkably rewarding play among these three. It is one of the biggest real estate investors across the globe. It indeed had a weak year in 2020 but looks poised for growth next year.

BPY yields a noteworthy 9%, almost triple than the TSX stocks average. An investment of \$75,500 in Brookfield Property Partners will make \$6,795 in dividends annually.

As the global economy possibly recovers next year, investors can expect superior performance from Brookfield. Higher footfall in malls can increase rent realization in the post-pandemic world, which will likely uplift its bottom line. Its diversified operations and stronger balance sheet make it stand tall among peers.

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1. Coronavirus
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5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:BPY.UN (Brookfield Property Partners)
4. TSX:ENB (Enbridge Inc.)

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