3 Biggest Canadian Stocks for Stable Passive Income

Description

Dividend growth investing is one of the most underrated strategies out there. Why take an unreasonable risk when you get market-beating returns with safe dividend stocks? Here are three top **TSX** stocks for safe and steady passive income.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) pays a juicy 7.6% yield, way higher than TSX stocks at large. Bond investors will specifically like Enbridge's steep yield in this low interest rate environment. It has paid dividends for the last 66 years, and has increased them for the last 26 consecutive years.

Apart from these super-long payment streaks, what makes its dividends reliable for investors? It is the earnings stability. Top midstream energy giant Enbridge generates cash flows from fixed-fee contracts. Unlike oil producers, energy pipeline companies have much lower exposure to volatile crude oil prices. Thus, Enbridge earns stable cash flows, facilitating stable dividends for shareholders.

Enbridge has announced a dividend payment of $3.34 per share for 2021, an increase of 3% compared to 2020. The company will likely continue paying consistently growing dividends for the future driven by its low-risk operations and earnings visibility.

BCE

The telecom giant **BCE** (TSX:BCE)(NYSE:BCE) is my second pick for income-seeking investors. BCE stock yields 6.3% at the moment, the highest among its peers. The company has paid growing dividends for decades driven by its stable earnings. That's why investors prefer such recession-resilient stocks for the long term.

Now with 5G expansion and network improvements, BCE could see accelerated earnings growth in the next few years, likely driving shareholder payouts higher.

Interestingly, stocks like BCE might seem boring at first because of their slow price movements and unexciting growth. But BCE has been a solid money multiplier in the long term.

In the last 25 years, it has returned 14% on average, including dividends, notably beating TSX stocks on average.

Intact Financial Corporation

Passive income seekers can also consider **Intact Financial** (TSX:IFC) for stable dividends. It is a $20 billion property and casualty insurance company with a controlling market share in Canada. It has sported consistent revenue and earnings growth for the last several years.

Intact stock offers a dividend yield of 2.3% at the moment, lower than TSX stocks. Although that's a much lower yield, its dividend profile looks attractive. It has raised shareholder payouts for the last 15 consecutive years and distributes almost 50% of its earnings in the form of dividends.

Also, the company's superior earnings growth should fuel its stock, making it an attractive investment from the total return perspective. IFC stock has delivered an average annual total return of 10% in the last 15 years. Intact Financial has led the P&C insurance market with its aggressive distribution, in-house claims and fruitful acquisitions.

Bottom line

If you invest $10,000 in these three TSX stocks equally, you will lock in a dividend yield of 5.4%, which will rake in $540 in dividends every year. Along with a stable passive income, these stocks will shield your portfolio from turbulent times.

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3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:IFC (Intact Financial Corporation)

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