



## 2 Great Passive Income Champions to Buy Now

### Description

Investors searching for reliable passive income finally have a chance to buy some good Canadian [dividend stocks](#) at cheap prices.

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is a leading player in the North American energy infrastructure industry with more than \$100 billion in assets located in Canada, the United States and Mexico.

The company is best known for its natural gas transmission capabilities that include pipeline networks and storage sites. TC Energy also owns [oil](#) pipelines and power generation facilities.

Natural gas is widely viewed as the bridge fuel that the world will use to transition from oil and coal to solar, wind, hydroelectric and other renewable energy power production.

Natural gas emits significantly less carbon dioxide than oil or coal when burned to produce power, so it is being used by many countries to convert existing power plants that use other fuels. After the Fukushima nuclear disaster, natural gas also became a favoured option for new power plant developments.

Liquified Natural Gas (LNG) is sent from gas-rich countries such as Canada and the United States to international markets that do not have domestic supplies. North American natural gas is plentiful and relatively cheap to produce. As the LNG industry expands, TC Energy is in a good position to move the gas from producers to LNG terminals.

The company has a \$20 billion capital program in place that should support average annual dividend growth of 5-7% over the next few years. At the time of writing the stock is down to \$60 from the 2021 high around \$65 per share. Investors who buy the stock at the current price can pick up a 5.8% yield with good distribution hikes on the horizon.

## TD Bank

**TD** ([TSX:TD](#))([NYSE:TD](#)) is a great stock to own for a buy-and-hold passive income portfolio. The bank is the second-largest in Canada by market capitalization and among the top 10 in the United States. The U.S. division actually operates more branches than the domestic business and runs right down the east coast of the United States from Maine to Florida.

The U.S. economy is on track to rocket out of the pandemic slump. That should be positive for TD in the next few years. TD is sitting on significant excess cash it built up for pandemic loan defaults that have not occurred thanks to substantial government aid provided to businesses and unemployed people on both sides of the border.

As a result, TD will likely boost the dividend and buy back shares when it is allowed to restart these programs. Investors could also see a large acquisition materialize to drive future growth.

TD's share price is down to \$81 from \$88 in May. At the current multiple of about 10.5 times trailing earnings, the stock looks cheap. Investors who buy TD here can pick up a 3.9% yield and look forward to generous payout increases in the next few years.

## The bottom line on passive income investing

TC Energy and TD are top Canadian companies with great track records of delivering reliable dividend growth for passive income investors. The share prices appear reasonable at current levels and investors should see dividends rise at a steady pace.

If you have some cash to put to work in a buy-and-hold income portfolio, these top dividend stocks deserve to be on your buy list.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSE:TRP (Tc Energy)
3. TSX:TD (The Toronto-Dominion Bank)
4. TSX:TRP (TC Energy Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/08/30

**Date Created**

2021/07/23

**Author**

aswalker

default watermark

default watermark