Top 3 TSX Stocks to Supercharge Your Passive Income

Description

There are plenty of options to boost your passive-income stream. However, in my opinion, dividend stocks are the cheapest and best way to generate a steady inflow of cash. So, if you plan to bolster your passive-income stream, here are the top three TSX to buy now.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) stock is an obvious choice when it comes to reliable passive income that could grow over time. Its long history of dividend payments and ability to consistently increase it makes Fortis an ideal investment for passive-income seekers. It has 47 consecutive years of dividend payment increases. Furthermore, Fortis is guiding a 6% average annual growth in its dividends through 2025.

Fortis's confidence over its dividend payouts stems from its low-risk and diversified utility assets. Fortis owns 10 regulated utility businesses that account for 99% of its earnings. Meanwhile, its $19.6 billion capital plan would drive its rate base at a CAGR of 6% through 2025. I believe rate base growth and increase in retail electricity sales will likely drive its earnings and, in turn, its dividends. Further, an increase in renewable generation capacity and strategic acquisitions augur well for future growth.

Currently, Fortis pays an annual dividend of $2.02 a share, reflecting a yield of 3.6%.

Enbridge

When it comes to a growing passive-income stream, one cannot go wrong with **Enbridge** (TSX:ENB)(NYSE:ENB) stock. It's worth noting that Enbridge's dividend has a CAGR (compound annual growth rate) of 10% since 1995. Furthermore, this energy infrastructure company has paid dividends for more than 66 years. Its diversified cash flow streams and contractual framework generate strong distributable cash flows and support higher dividend payments.

Looking ahead, Enbridge's diverse income streams, resilient business model, and predictable cash flows bode well for growth. Meanwhile, recovery in mainline volumes, favourable long-term energy outlook, strategic acquisitions, and a $17 billion secured capital program will likely drive its EBITDA.

Furthermore, toll escalators, productivity savings, and capacity optimization are expected to support its distributable cash flow per share.

Currently, Enbridge pays an annual dividend of $3.34 per share, translating into a high yield of 6.6%.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is another reliable stock for passive-income investors. Like Enbridge and Fortis, TC Energy has also paid and increased dividends for a very long period. Notably, TC Energy's dividend has a CAGR of 7% since 2000. Meanwhile, it is projecting a 5-7% growth in its annual dividend in the future years.

TC Energy's solid dividend guidance is backed by its regulated and contracted asset base that generates strong cash flows. Its assets remain resilient to economic cycles and witness higher utilization, which supports its revenues and earnings. Meanwhile, its $21 billion capital program and solid developmental pipeline indicate that future payouts are safe while the company could continue to increase its dividends at a decent pace.

Overall, TC Energy's predictable cash flows and ability to fund growth initiatives indicate that it could continue to deliver solid returns for its shareholders in the coming years. It pays an annual dividend of $3.48 a share, reflecting a yield of 5.7%.

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2. NYSE:FTS (Fortis Inc.)
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