



Retirees: 3 Cheap Dividend Stocks to Buy in October for Passive Income

Description

The market pullback is giving Canadian retirees a chance to buy some top TSX [dividend stocks](#) at reasonable prices for a TFSA portfolio focused on passive income.

Russel Metals

Russel Metals ([TSX:RUS](#)) is a metals distribution business with operations across Canada and the United States. The company has grown over the years through strategic acquisitions, and that trend should continue as the sector consolidates.

The stock took a hit at the start of the pandemic but bounced back by the end of the year and soared even higher in the first eight months of 2021 on a surging global steel market and a rebound in the energy sector.

Russel Metals currently trades near \$31 per share compared to the 2021 high around \$37. Investors who buy the stock at this level can pick up a 4.9% dividend yield.

The company maintained the dividend during the crash, as it has in previous industry downturns, so the payout should be safe. Steel demand should be strong for the next few years, as infrastructure projects in the United States kick into gear, and the energy industry ramps up drilling to take advantage of higher prices.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a midstream player in the Canadian energy sector. The company provides oil and gas producers with end-to-end services, including oil transportation through its pipelines, natural gas gathering and processing facilities, and logistics operations. Pembina Pipeline has also considered building a polypropylene plant and is partnering with First Nations groups on the potential development of an LNG plant as well as the potential purchase of the Trans Mountain pipeline owned by the government.

In addition, Pembina Pipeline is working with another Canadian energy infrastructure giant to build a carbon sequestration facility. The site would provide services to oil producers who are pursuing [ESG](#) initiatives, including being net-zero emitters by 2050.

Pembina Pipeline has a solid capital program on the go and makes strategic acquisitions to drive additional growth. The stock appears cheap near the current price of \$40 and offers a 6.2% dividend yield.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is one of Canada's leading communications companies with wireless and wireline networks across the country that provide investors with mobile, internet, and TV services.

The pandemic hit some parts of the business and gave others a boost. The removal of travel restrictions should lead to a rebound in lucrative roaming fees that plunged over the past 18 months. In contrast, Telus Health saw a strong increase in the use of its various applications and other digital services that enable health professionals, hospitals, and insurance companies to conduct secure online visits and process billing and payment documentation.

Telus recently spent \$1.9 billion on new spectrum for its [5G network](#) expansion. The company is also moving forward on its fibre optic rollout. These investments help protect the competitive position of the business and lead to new revenue opportunities.

Telus has a great track record of dividend growth, and the company intends to boost the payout by 7-10% in 2022. Investors can buy the stock on a bit of a dip right now and pick up a solid 4.5% dividend yield.

The bottom line on top dividend stocks

Russel Metals, Pembina Pipeline, and Telus all pay solid dividends for a TFSA portfolio focused on passive income. If you have some cash to put to work, these stocks look attractive right now.

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1. Dividend Stocks
2. Investing

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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
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