



## TFSA Investors: 2 Top TSX Dividend Stocks to Buy Today

### Description

TFSA investors can still find top dividend stocks at attractive prices for a passive-income portfolio.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has raised its dividend every year for more than two decades, and the distribution growth looks set to continue.

Throughput on the company's oil pipelines is rebounding this year, and the strong recovery in oil demand could last for some time. Oil prices are now at multi-year highs, and domestic producers are increasingly looking to international markets for buyers.

Enbridge sees the opportunity in moving Canadian and U.S. oil to foreign markets. The company recently announced a US\$3 billion acquisition of a strategic oil export platform on the U.S. Gulf Coast.

Domestic demand should also be robust in 2022 and beyond. Airlines are ramping up capacity, as travel restrictions ease. That will boost demand for jet fuel. In addition, commuters will start heading back to the office in large numbers next year. With many still concerned about being crammed like sardines on buses and subways, gasoline demand could skyrocket.

Enbridge earns fees for moving oil from the producers to refineries and storage locations. Fluctuations in the commodity price have a limited direct impact on revenues.

The other business units include natural gas transmission lines, storage sites, and distribution utilities. Enbridge also has a growing renewable energy group with wind, solar, and geothermal initiatives.

The natural gas business moves about 20% of the gas used in the United States. Natural gas demand is soaring around the globe, and the long-term outlook is positive. Power facilities use natural gas to generate electricity. The fuel emits less carbon dioxide than oil or coal when burned, making natural gas a top choice, as countries transition to renewable energy sources.

Enbridge expects to put \$10 billion in new assets into service this year. A combination of capital projects and acquisitions should drive steady revenue and cash flow growth in 2022 and beyond. Management is targeting distributable cash flow (DCF) growth of 5-7% annually. Dividend increases should be in the same range.

The stock appears attractive at the current share price near \$50 and offers a 6.6% dividend yield.

## TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) owns renewable energy production and natural gas infrastructure in Canada, the United States, and Australia.

Assets include hydroelectric, wind, solar, and gas-fired power-generation facilities. TransAlta Renewables is also expanding into battery storage sites.

The company grows through a combination of acquisitions and organic projects. TransAlta Renewables recently announced a deal to buy a fully contracted 122 MW solar portfolio in North Carolina. The company is also building a solar-battery hybrid facility for a mining client in Australia.

The stock is down more than 20% from the 2021 high. Investors looking for some [ESG](#) exposure in their portfolios now have an opportunity to buy the stock near \$19 per share and can pick up a dividend yield that is almost 5%.

The distribution should be safe, and the stock is starting to look oversold.

## The bottom line on top income stocks for TFSA income

Enbridge and TransAlta Renewables look attractive at current prices and offer above-average dividend yields. If you have some cash to put to work in a TFSA income fund, these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:RNW (TransAlta Renewables)

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