3 Top TSX Dividend Stocks to Buy in November for Passive Income

Description

Pensioners and other income investors are searching for top TSX dividend stocks to put in their TFSA portfolios heading into 2022.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is up 28% in 2021, but more gains should be on the way. The company made it through the oil downturn in good shape thanks to the stability of the natural gas transmission, storage, and distribution assets, along with the renewable energy power group.

Now that oil demand is in recovery mode, all of Enbridge's divisions are performing well. The company continues to drive growth through acquisitions, including the recent US$3 billion purchase of an oil export facility in Texas. On the development side, Enbridge has a $17 billion capital program, of which $10 billion is already or will be in service by the end of 2021.

The company should deliver steady dividend growth in the next few years. Investors who buy the stock now can pick up a solid 6.4% yield.

Algonquin Power

Algonquin Power (TSX:AQN)(NYSE:AQN) owns renewable power-generation facilities as well as water and electricity utilities.

The stock recently dipped on news of a share issue to help pay for an acquisition. Algonquin Power is buying Kentucky Power for US$2.846 billion. News from the Bank of Canada that it will move up its scheduled interest rate hikes might have added pressure on the stock. Utility stocks often face headwinds when rates rise.

Near-term volatility is expected, but the stock appears cheap at the current price below $18 per share. Algonquin Power raised the dividend by 10% in 2021, and a similar payout increase wouldn't be a surprise in 2022. Investors who buy now can pick up a 4.8% yield.

CIBC

CIBC (TSX:CM)(NYSE:CM) is up nearly 40% in 2021. The easy money has already been made, but the stock still trades at a reasonable 11.5 times trailing 12-month earnings.

CIBC has avoided the worst-case pandemic scenario over the past two years. Government aid and loan deferrals helped homeowners and businesses continue making their mortgage payments. At the same time, the plunge in borrowing costs triggered a surge in home buying.

As a result, CIBC didn't get hit with the wave of defaults the market initially anticipated in the early months of the pandemic. The company is sitting on excess cash and will likely reward investors with a large dividend increase when the government gives the banks the green light to restart distribution hikes.

Risks still remain. The end of pandemic-assistance programs and anticipated rising interest rates will likely trigger some bankruptcies, but CIBC has a good handle on where those problems exist, and a strong capital position is in place to absorb those losses. On the whole, higher rates tend to be a net benefit for the banks.

Investors who buy CIBC stock today can pick up a 3.9% dividend yield and look forward to a generous raise expected in 2022.

The bottom line on top stocks for passive income

Enbridge, Algonquin Power, and CIBC pay attractive dividends that should continue to grow in the coming years. If you have some cash to put to work in a TFSA income portfolio, these stocks deserve to be on your radar.

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
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