



Retirees: 2 Top TSX Dividend Stock to Buy in November for Passive Income

Description

Canadian retirees are searching for top dividend stocks to add to their TFSA income portfolios. The **TSX Index** trades near all-time highs, but some top stocks with high yields still trade at reasonable prices.

Suncor

Suncor ([TSX:SU](#))([NYSE:SU](#)) recently reported strong Q3 2021 results. The company generated \$2.6 billion in funds from operations in the quarter compared to \$1.17 billion in the same period last year. Operating earnings were \$1.04 billion, and net earnings came in at \$877 million.

Suncor is benefitting from the rebound in oil prices, which saw WTI oil jump from US\$36 at the end of October 2020 to the current price above US\$80 per barrel. Suncor has reduced net debt by more than \$3 billion in 2021 and is aggressively buying back shares with excess cash. The updated share-repurchase program will see Suncor buy up to 7% of its outstanding common stock from February 2021 to the end of January next year.

In addition, the board just doubled the dividend. The move brings the payout back to the 2019 level. Suncor slashed the distribution in 2020 to protect cash flow.

At the current share price, the new dividend provides a 5% yield.

Oil prices are expected to remain elevated for the next few years amid rising demand and tight supplies.

The distribution should be safe, and investors might even see another increase in 2022. Analysts widely expect WTI oil to hit US\$100 per barrel at some point in the next two years. Suncor's stock price has had a nice run in recent weeks but still appears cheap. The shares currently trade near \$33 compared to \$44 in early 2020 when WTI oil was a lot lower than it is today.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) took a hit in the past two quarters due to unplanned outages at a gas-fired power plant, weaker-than-expected wind at some facilities, and the collapse of a wind turbine in New Brunswick.

The streak of bad luck means revenue and cash flow for 2021 are going to miss previous expectations. At the time of writing, the stock trades near \$18.50 per share compared to the 2021 high around \$24.50.

Near-term volatility should be expected, but the company should see things turn around next year, and the stock now appears oversold. TransAlta Renewables pays its dividend monthly, making it an attractive pick for steady passive income.

Investors who buy the stock now can pick up a 5% dividend yield.

TransAlta Renewables continues to add assets through acquisitions and development projects. The company recently announced the purchase of a wind farm in North Carolina and is building a hybrid solar-battery facility in Australia.

This is a good stock to own if you want to get some [ESG](#) exposure in your portfolio while collecting an above-average yield on the investment.

The bottom line on top dividend stocks for passive income

Suncor and TransAlta Renewables offer attractive dividends with high yields. The shares appear [undervalued](#) right now in an otherwise expensive market. If you have some cash to put to work in a TFSA focused on passive income, these stocks should be good buys today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:RNW (TransAlta Renewables)
3. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

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

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Investing

Date

2025/08/23

Date Created

2021/11/08

Author

aswalker

default watermark

default watermark