



Retirees: 3 Top Canadian Stocks Yielding 5% for TFSA Passive Income

Description

Retirees want top-quality TSX dividend stocks to add to their [TFSA](#) portfolios that generate steady passive income.

Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) recently raised its dividend by 18% to a quarterly payout of \$0.33 per share. At the current stock price near \$25, that provides an annualized yield of 5.3%.

The company is back on its feet after getting hammered a decade ago when losses connected to the financial crisis forced management to cut the dividend in half. The payout has climbed back above the previous level in recent years, and Manulife is less exposed to market shocks than it was in the past.

Interest rates will likely start moving higher in 2022 and could continue to climb for the next few years. That should help Manulife generate better returns on the cash it has to set aside to cover potential insurance claims.

The stock appears cheap right now after solid Q3 results. Manulife traded as high as \$27.50 earlier this year.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) reported strong results for Q3 2021 that indicate the rebound in the energy sector is helping the company get back on track.

Pembina Pipeline delayed some projects last year to preserve cash flow, as management waited to see how long it might take for energy producers to recover. The rebound came faster than anticipated.

Through 2021, oil, natural gas, and gas liquids prices soared and appear set to remain elevated for the next few years. This is helping energy companies shore up their balance sheets. Their next moves

should be expansion in capital investments to drive additional output.

Pembina Pipeline provides a wide variety of services to energy producers and should benefit as they ramp up production.

The stock appears undervalued at the current price near \$41.50 per share and offers a 6% dividend yield.

TC Energy

TC Energy is a leader in the North American energy infrastructure sector with more than 93,000 km of natural gas pipelines in Canada, the United States, and Mexico. TC Energy also has oil pipelines and power-generation facilities.

The company is working on \$22 billion in capital projects that should support average annual dividend increases of 3-5% over the medium term. TC Energy's share price has pulled back from the 2021 high around \$68 to the current price near \$62.50.

The dip is due to challenges the company is facing on its Coastal GasLink pipeline project that is experiencing cost overruns. A disagreement between Coastal GasLink and LNG Canada regarding the recognition of the extra costs isn't helping. Coastal GasLink will bring natural gas to the LNG facility from natural gas producers in northeastern British Columbia. TC Energy has committed to provide up to \$3.3 billion in additional temporary financing to keep the project moving forward.

As a result, management reduce the dividend-growth guidance for the next few years.

The selloff in the stock, however, appears overdone, and investors who buy now can pick up a 5.5% dividend yield.

The bottom line on top TSX stock for TFSA passive income

Manulife, Pembina Pipeline, and TC Energy all pay attractive dividends that offer above-average yields. If you have some cash to put to work in a TFSA portfolio focused on passive income, these stocks deserve to be on your buy list.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:TRP (Tc Energy)
4. TSX:MFC (Manulife Financial Corporation)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:TRP (TC Energy Corporation)

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

2025/08/24

Date Created

2021/11/15

Author

aswalker

default watermark

default watermark