



TFSA Passive Income: 2 Top TSX Dividend Stocks to Buy in November

Description

Income investors are searching for top Canadian dividend stocks to add to their self-directed [TFSA](#) portfolios.

Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) recently raised its dividend by 18%. In addition, Manulife intends to buy back up to 2% of its outstanding stock under a new repurchase plan.

The moves give investors a good idea of how well the company has managed to ride out the pandemic storm.

Manulife reported solid Q3 2021 results. Net income came in at \$1.6 billion in the quarter with core earnings growth of 10%. For the first nine months of 2021, net income hit \$5.02 billion compared to \$4.09 billion in the same period last year.

Ongoing COVID-19 restrictions in Asia continued to have an impact on Manulife's operations in the region, but the outlook is positive for the group in 2022 and beyond.

Manulife continues to progress its efforts to make the business more efficient. The adoption of digital solutions across the business speeds up processes and enhances client experiences. Manulife's expense efficiency ratio improved to 48.9% for the first nine months of the year from 52.9% in 2020.

The stock trades near \$25.50 at the time of writing, which is pretty close to its book value per common share and just 7.5 times trailing 12-month earnings. The new distribution provides a yield of 5.2%.

Rising interest rates should support stronger earnings in the next few years, as Manulife will be able to get better returns on cash it has to set aside to cover potential insurance claims.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a giant in the North American energy infrastructure industry with vast networks of oil and natural gas pipelines. The company is a key player in the efficient operation of the U.S. and Canadian economies. Enbridge transports 25% of the oil produced in the two countries and moves 20% of the natural gas consumed in the United States.

Enbridge also has natural gas distribution utilities and a growing renewable energy group. The balanced asset mix helped Enbridge get through the tough part of 2020 when oil demand plunged. The company is now positioned well to benefit as fuel consumption surges. Enbridge's oil pipelines transport crude oil feedstock from producers to refineries.

Enbridge recently completed its Line 3 Replacement project after eight years of work to get the development approved and built. The line can now operate at full capacity to bring Alberta oil to refineries in the United States. This will add revenue and cash flow in 2022.

Enbridge also just closed a US\$3 billion acquisition of an oil export facility and related pipeline infrastructure.

The company raised the dividend by 3% for 2021, despite the challenging times last year. A payout increase for 2022 might be in the 5-7% range when Enbridge announces the 2022 financial plan in early December.

Investors who buy the stock at the current price can pick up a 6.6% dividend yield.

The bottom line on top stocks for passive income

Manulife and Enbridge are leaders in their respective industries. The stocks appear attractive at current prices and offer generous dividends with above-average yields. If you have some cash to put to work in a TFSA focused on passive income, these stocks deserve to be on your radar.

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