



2 High-Yield Stocks to Buy in December for Passive Income

Description

The **TSX Index** is home to several stocks that still trade at reasonable prices and offer attractive [dividends](#) for investors seeking reliable passive income.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) provides pipeline, natural gas gathering, gas processing, and logistics services to oil and natural gas producers. The company also has propane export facilities and is evaluating a number of new projects that range from carbon sequestration to LNG.

Pembina Pipeline moved quickly at the start of the pandemic to shore up its balance sheet and protect cash flow. Management deferred capital projects until the energy sector started to recover and was able to maintain the generous dividend through 2020.

The company reported strong Q3 2021 results. Adjusted EBITDA was \$850 million compared to \$796 million in the same period last year. Earnings per share nearly doubled compared to Q3 2020.

Now that the oil and gas sector is back on its feet, Pembina Pipeline should see revenue and cash flow improve in the next few years. Producers are expected to take advantage of high oil and natural gas prices and boost 2022 capital expenditures to increase output. That bodes well for midstream companies like Pembina Pipeline.

The stock is down in recent trading on news the CEO is leaving to pursue other opportunities. Investors should view the dip as a chance to buy. At the time of writing, Pembina Pipeline trades near \$39.50 per share and offers a 6.4% dividend yield.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) operates more than 93,000 km of natural gas pipelines in Canada, the United States, and Mexico. The company also owns a nuclear power facility and vast natural gas

storage capacity.

The natural gas market is hot right now, and the positive trend looks set to continue for some time. Most people know that natural gas is used to heat homes and businesses. The fuel is also burned to generate electricity. Gas-fired power production is replacing oil and coal-fired plants around the world. Natural gas emits much less carbon dioxide than the other fuels when burned, making it a popular choice for countries that are trying to reduce emissions, as they invest in renewable power.

Even when wind, solar, and other renewable power installations reach the scale needed to supply the bulk of the electricity the world uses, there will still have to be back-up fuel-fired power generation to ensure steady supply during periods of soaring demand.

TC Energy has the infrastructure in place or under construction to move natural gas from key production areas to LNG facilities that will ship the fuel to international markets.

The stock is down to \$61.50 per share from the 2021 high around \$68. Investors who buy the latest dip can pick up a 5.6% dividend yield. The board plans to raise the dividend by 3-5% per year supported by the \$22 billion capital program.

The bottom line on top income stocks

Pembina Pipeline and TC Energy look cheap at their current share prices and offer attractive dividends with above-average yields. If you have some cash to put to work in a portfolio focused on passive income, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:TRP (TC Energy Corporation)

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