



## 2 TSX Stocks That Are Passive-Income Machines

### Description

The **TSX** has been through some significant ups and downs in recent weeks as 2021 ended. At writing, the **S&P/TSX Composite Index** is down by 3.20% from its latest all-time high on November 12, 2021. With interest rate hikes expected to kick in this year, and fears of the contagious Omicron variant disrupting our day-to-day lives, the Canadian equity market could be in for a significant pullback soon.

[Dividend investing](#) with the right defensive assets can be an ideal way to prepare for harsh economic conditions. Dividend stocks can provide you with a steady secondary income stream through reliable dividend payouts.

You can use the dividend income to supplement your active income to cater to daily expenses during turbulent conditions. Additionally, you can reinvest the [shareholder dividends](#) to purchase even more stocks and generate even more dividends to accelerate your wealth growth when you don't need the extra income.

Today, I will discuss two TSX stocks that are capable of providing you with reliable shareholder dividends to meet your financial requirements.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a no-brainer investment for most Canadian investors looking for reliable income-generating assets to their portfolios. Fortis is a \$28.21 billion market capitalization utility holdings company that owns and operates 10 internationally diversified utility businesses in the U.S., Canada, and the Caribbean.

The company earns most of its income through highly rate-regulated and long-term contracted assets, providing natural gas and electricity to around 3.4 million customers. It means that Fortis can generate predictable cash flows that it can use to comfortably fund its rising shareholder dividends and capital programs. At writing, Fortis stock is trading for \$59.44 per share and it boasts a juicy 3.60% dividend yield.

## BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is another mainstay for many dividend-seeking Canadian investors. BCE is a \$60.01 billion market capitalization giant in Canada's telecommunications industry. The company provides an essential service, ensuring that people can remain connected in an increasingly digitized world. BCE continues to expand its fibre-to-premises initiative, and it is creating an extensive 5G network to unlock more revenue streams for the business.

BCE also owns a media group that owns radio stations, specialty channels, a TV network, retail locations, an advertising business, and it has positions in professional sports franchises. The pandemic created a dent in its revenues through its media business, but BCE's media division's performance turned around last year. At writing, BCE stock is trading for \$66.03 per share, and it boasts a juicy 5.30% dividend yield.

## Foolish takeaway

Whether you're looking for income-generating assets that can supplement your active income or for core holdings that you can buy and hold for decades, the right combination of dividend stocks in your portfolio can help you achieve your financial goals. Fortis stock and BCE stock are two excellent [dividend stocks](#) that could be ideal for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)

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