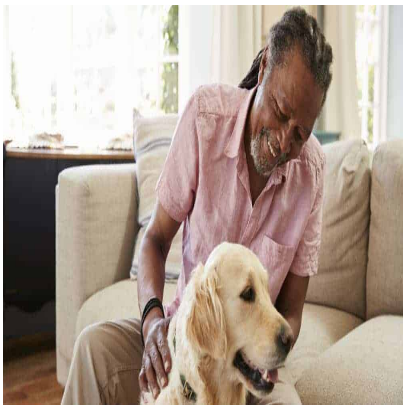

# TFSA Investors: 2 Cheap Dividend Stocks for Retirees to Buy Now

## Description

Canadian retirees are searching for top TSX dividend stocks to boost returns and generate income inside their TFSA portfolios. The overall market still looks expensive, but investors can still find some undervalued stocks with high yields for passive income.



## Power Corp

**Power Corp** (TSX:POW) is a holding company with interests in wealth management and insurance businesses primarily located in Canada. The company is also part owner of another European holding firm that has positions in a number of Europe's top international businesses.

In Canada, Power Corp owns majority interests in **Great-West Lifeco** and **IGM Financial**. These companies are home to names such as Canada Life, Investors Group, Mackenzie Investments, and Investment Planning Counsel, among others.

Power Corp also has alternative asset divisions that invest in new privately held companies that have the potential for exponential growth. Through its subsidiaries, Power Corp has a majority position in fintech player Wealthsimple. The company also has a large position in **Lion Electric**, which makes electric buses.

Owning Power Corp gives investors exposure to all the holdings at once. The insurance and wealth management businesses generate steady cash flow, and the venture capital bets offer a shot at some large gains if the newer companies grow to be industry leaders.

Power Corp recently raised the dividend by 10.6% and currently offers a 4.7% dividend yield.

The stock trades for less than 10 times trailing 12-month earnings, which is much cheaper than the big banks. According to Power Corp's own calculation, the net asset value of the business was $52.81 per share at the end of September. That number will likely be higher for the end of Q4, yet the stock currently trades for close to $42.

## Suncor

**Suncor** (TSX:SU)(NYSE:SU) is Canada's largest integrated energy company with operations that generate revenue all along the value chain. The business is best known for its oil sands production operations, but Suncor also owns large refineries that turn crude oil into gasoline, jet fuel, and other products. Finally, Suncor operates about 1,500 Petro-Canada retail locations.

The rebound in the price of oil last year and an ongoing recovery in fuel demand enabled Suncor to reduce debt and buy back a big chunk of stock in 2021. The board also raised the dividend by 100% when the Q3 results came out, returning the distribution to the 2019 level.

WTI oil is now at US$80 per barrel, and an Omicron peak could be just weeks away, setting the stage for a surge in travel beginning this spring, as people head back to the office and airlines ramp up domestic and international capacity.

Suncor trades near $35 per share at the time of writing and provides a 4.8% dividend yield. The stock is still 20% below its pre-pandemic price, so there could be meaningful upside in the coming months. It wouldn't be a surprise to see Suncor announce another generous dividend increase in the first half of this year.



## The bottom line on top TFSA income stocks to buy now

Power Corp and Suncor appear cheap at current prices and offer investors attractive dividends that should continue to grow in the next few years. 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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