



2 Top Canadian Dividend Stocks for Passive Income

Description

Investors are searching for quality [dividend](#) stocks that can boost the passive income they earn in their [online broker](#) accounts.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) raised its dividend by 3% for 2022. This is the 27th consecutive annual increase to the payout. Long-term investors remember times of larger distribution increases, but shifting conditions in the energy infrastructure [sector](#) have changed the growth strategy.

While the days of building new major oil pipelines are probably over, Enbridge is still driving steady organic growth through smaller investments across its vast asset base, with particular focus on the natural gas and renewable energy segments.

The company put \$10 billion in projects into service in 2021. Management also spent US\$3 billion to buy a strategic oil export platform and related infrastructure in Texas. These additions will help drive cash flow growth in 2022.

Distributable cash flow growth is expected to be 5-7% per year through 2024. Annual capital investments are targeted at \$5-6 billion over the next three years.

Enbridge trades near \$52.50 per share at the time of writing compared to \$56 before the pandemic. Investors who buy Enbridge stock at the current price can pick up a 6.5% dividend yield.

Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) gave patient investors a nice reward in late 2021 when it increased the dividend by 18%. The new quarterly payout of \$0.33 per share provides an annualized yield of about 5.1%.

The impending increase in interest rates from the Bank of Canada and the U.S. Federal Reserve should be positive for Manulife in the next couple of years. Higher rates enable insurance companies to get better returns on the cash they have to set aside to cover potential claims.

Manulife has strong insurance and wealth management operations in Canada and the United States and its large presence in several Asian countries should drive steady long-term revenue growth, as the middle class expands in the region.

Management continues to remove risk from the business. The deal to reinsure 75% of the variable annuity business in the United States is another positive step. This unlocks \$2 billion in value for shareholders and makes Manulife less vulnerable to a crash in the stock market.

Investors might realize the stock is [undervalued](#) in the coming months and start to reward Manulife with a better multiple as a result.

The stock trades near \$25.75 per share at the time of writing compared to the 2021 high above \$27.50. Manulife is a good pick for investors who want to buy a non-bank financial stock that pays a generous dividend.

The bottom line on top dividend stocks to buy for passive income

Enbridge and Manulife are leaders in their respective industries and should deliver steady dividend growth in the coming years. The stocks appear attractive at current prices and provide generous payouts offering above-average yields for investors focused on passive income.

If you have some cash to put to work inside a TFSA or other account targeting income, these stocks deserve to be on your radar for 2022 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:MFC (Manulife Financial Corporation)

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Date

2025/08/30

Date Created

2022/01/21

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