



## Passive Income: 2 Dependable Dividend Stocks to Buy Now

### Description

Despite the Canadian stock market trading flat on the year, many [top TSX stocks](#) are trading well below all-time highs. The market is full of uncertainty right now, which has been a key driver for recent selloffs of many companies.

### Building a passive-income stream

One way to help offset [volatility](#) in an investment portfolio is to build a dependable stream of passive income. Cash earned through a passive-income stream can help keep a portfolio afloat during bearish days with steep selloffs, which, unfortunately, investors are getting used to nowadays.

Now is as good a time as any to build a passive-income stream. Canadian investors can have their choice of Dividend Aristocrats on the TSX. And due to the market's volatile environment as of late, there are plenty of top [dividend stocks](#) trading at bargain prices today.

Here are two dividend-paying companies that passive-income investors should have on their radar right now. In addition to paying a top yield, both dividend stocks are currently trading at discounted prices. The two companies are excellent choices for anyone looking to build a dependable stream of passive income.

### Dividend stock #1: Sun Life

Aside from high-yielding dividend stocks, there's not a whole lot exciting about the insurance industry. But if your goal is to earn passive income, an insurance stock may be exactly what you're looking for.

At a market cap of \$40 billion, **Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) is Canada's second-largest insurance provider. The company also boasts an international presence, offering its global customers insurance and wealth management services.

At today's stock price, Sun Life's forward annual dividend of \$2.64 per share yields just shy of 4%.

On top of a dependable and high-yielding dividend, Sun Life is also very reasonably priced. Shares are trading close to 10% below 52-week highs and valued at a forward price-to-earnings ratio of just 10.

There's not a whole lot to get excited about with this dividend stock unless you're a passive-income investor. Alongside a steady stream of passive income, Sun Life can provide a portfolio with stability, international exposure, and even potentially market-beating growth at this valuation.

## Dividend stock #2: Algonquin Power

Speaking of unexciting companies, **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is another dividend stock that offers investors a whole lot.

Utility companies are amongst the most dependable stocks an investor can own. Regardless of the condition of the economy, revenue levels tend to remain fairly stable for utility companies. As a result, share prices rarely experience high levels of volatility.

Where Algonquin Power separates itself from not only other utility stocks, but dividend stocks too, is its growth potential. Utility companies are not known for growth, but Algonquin Power is an exception to that.

Shares of the \$12 billion company are up a market-beating 50% over the past five years. Once you factor in Algonquin Power's 4% dividend yield, that's good enough for close to doubling the returns of the **S&P/TSX Composite Index**.

If your goal is to find the highest-yielding dividend stock on the TSX, you'll be able to do better than Algonquin Power. But good luck trying to find a company that can outperform the market, with a yield above 4%, and that can provide a portfolio with defensiveness.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:SLF (Sun Life Financial Inc.)

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#### **Date**

2025/07/21

#### **Date Created**

2022/03/18

#### **Author**

ndobroruka

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