



2 Top TSX Stocks to Buy for Easy Passive Income

Description

Canadian retirees and other income investors have busy lives and don't want to spend too much time every day watching their portfolios that are geared towards providing steady passive income. As a result, they are searching for top [dividend stocks](#) to buy now and simply hold for decades.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a Canadian utility company with \$58 billion in power generation, electric transmission, and natural gas distribution assets located across Canada, the U.S., and the Caribbean.

Investors have watched their dividends increase for 48 consecutive years and management is providing guidance of average annual hikes of 6% through 2025.

Fortis grows through acquisitions and internal projects. The current \$20 billion capital program through 2026 is expected to boost the mid-year rate base from \$31.1 billion in 2021 to \$41.6 billion by 2026. As a result, the board is comfortable providing the attractive outlook for dividend growth.

Fortis has other projects under consideration that could get added to the mix. The company also has a long track record of strategic acquisitions. A new deal, or additional projects, would likely increase the guidance on the payout hikes or extend the distribution growth forecast.

Investors who but the stock today can pick up a 3.6% dividend yield.

TC Energy

TC Energy ([TSX:TRP](#)) ([NYSE:TRP](#)) trades near \$70 per share right now and offers an attractive 5% dividend yield. The stock picked up a nice tailwind since the start of the year. At the time of writing, TRP stock is up 18% in 2022. Despite the surge, the shares are still well below the pre-pandemic price of \$75.

TC Energy is primarily a natural gas transmission and storage play, but the company also has oil pipelines and power generation assets. Natural gas has a bright future as countries around the globe are turning to the fuel to replace coal and oil to generate reliable electricity when solar, wind, and other renewable sources are not able to meet demand surges or provide unstable power supplies due to changing weather conditions.

TC Energy has the network infrastructure in place or under construction to support the expansion of the liquified natural gas (LNG) export market as low-cost Canadian and U.S. producers look to sell their natural gas to international buyers who will pay much higher prices than domestic users of the fuel.

TC Energy is also getting into the carbon sequestration and storage market. The company has the expertise and infrastructure to help major carbon dioxide emitters meet their [ESG](#) goals. TC Energy has formed hydrogen partnerships, as well, in a bid to tap a market that could grow significantly in the coming years.

TC Energy raised its dividend for the 22nd consecutive year when it reported Q4 2021 results. Investors now get a quarterly payout of \$0.90 per share. Management says the \$24 billion capital program should provide steady revenue and cash flow growth to support ongoing annual dividend increases in the range of 3%-5% through 2026.

The bottom line

Fortis and TC Energy are top dividend stocks with long track records of distribution growth. If you are searching for reliable passive income from stocks you don't have to watch on a daily basis these names deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:TRP (Tc Energy)
3. TSX:FTS (Fortis Inc.)
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Date

2025/08/20

Date Created

2022/03/23

Author

aswalker

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