



2 TSX Dividend Stocks to Buy for Great Passive Income

Description

Retirees and other dividend investors are searching for top TSX stocks that are good buys today for reliable and growing passive income.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) reported a solid start to 2022 supported by the ongoing recovery in the global energy [sector](#).

The oil and natural gas infrastructure giant generated adjusted EBITDA of \$4.1 billion compared to \$3.7 billion in the first three months of 2021. Adjusted earnings came in at \$1.7 billion, or \$0.84 per share, compared to \$1.6 billion, or \$0.81 per share, in the same period last year.

Distributable cash flow (DCF) was \$3.1 billion or \$1.52 per share, up from \$2.8 billion, or \$1.37 per share, in Q1 2021.

Management reaffirmed the financial outlook for 2022. EBITDA is expected to be \$15-15.6 billion compared to \$14 billion in 2021. Distributable cash flow is expected to rise to \$5.20-5.50 per share. That's good news for income investors who need steady and growing payouts.

Over the next three years, Enbridge expects the current \$10 billion secured growth capital program to drive DCF growth of 5-7% annually. This should support dividend increases that match or exceed the 3% raise investors received for 2022. Enbridge is also using excess cash to repurchase up to \$1.5 billion in stock this year.

Enbridge stock trades near \$57 per share at the time of writing compared to the 2022 high around \$59. Investors who buy at the current price can pick up a 6% dividend yield.

Manulife Financial

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) provides insurance, wealth management, and asset management products to corporate, institutional, and retail clients primarily in Canada, the United States, and Asia. The American business operates under the John Hancock brand.

Manulife generated record net income of \$7.1 billion in 2021 — an increase of \$1.2 billion over the previous year.

Asia probably offers the best growth potential for the coming years, as Manulife targets the region's massive population base and growing middle class. The company purchased Aviva Vietnam in 2021 and launched a 16-year partnership with VietinBank that will provide insurance, wealth, and retirement solutions to the firm's clients.

In Canada, Manulife put a heavy focus on helping clients remain healthy. The company launched products to assist people with their mental and emotional wellbeing. Manulife also initiated a rewards program for clients who received their COVID-19 vaccines. The efforts make sense. Healthier customers should ultimately lead to lower insurance claims.

Manulife's American business is bulking up on behavioural insurance. Management also announced a deal to reinsure more than 75% of the legacy variable annuity business. This reduces Manulife's risk profile and unlocks about \$2 billion in capital.

The global wealth and asset management operations launched ETFs in Canada and the U.S. to go with the traditional mutual fund offerings as a step to remain competitive in the market for investment products.

Manulife raised the dividend by 18% for 2022. The quarterly payout of \$0.33 per share currently provides an annualized yield of 5.35%. Manulife stock trades for \$24.50 at the time of writing compared to the 2022 high of \$28.

The bottom line on top TSX dividend stocks

Enbridge and Manulife are leaders in their respective sectors and pay attractive dividends that should continue to grow. If you have some cash to put to work in a portfolio focused on passive income, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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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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