



## Passive Income: Top 2 Dividend Stocks for Steady Gains

### Description

The Canadian stock market finished the week off strong last week, with the **S&P/TSX Composite Index** rising more than 2% on Friday. Still, the index has dropped close to 10% over the past month and is now trading at a loss of 5% in 2022.

Volatility has been a major theme for investors this year. There's been a slew of storylines in recent months that have created all kinds of uncertainty in economies across the globe. As a result, it hasn't been all that surprising to see the volatility in the stock market as of late.

As a patient long-term investor, I'm not all that worried about the recent volatility in the market. I've continued to add to my long-term holdings consistently this year, regardless of the market's condition.

But just because I'm a long-term investor doesn't mean I'm immune to volatility. It certainly hasn't been easy to watch my portfolio drop as much as it has over the past month.

## Building a passive-income investment portfolio

One way to help balance out the market's volatility is through dividend investing. [Passive income](#) generated through [dividend stocks](#) can provide a portfolio with a consistent cash flow, minimizing the impact of high-volatile market periods.

Canadians have the luxury to choose from a range of dependable dividend stocks on the **TSX**. Whether you're looking for a consistent payout or a high yield, there's a dividend stock fit for your portfolio. Even earning market-beating returns on top of a dividend is not out of the question.

As a [growth investor](#) myself, I'm looking to add a couple of dividend-paying companies to my portfolio today. Here are two top picks that I've got high up on my watch list.

## Dividend stock #1: Algonquin Power

This utility stock does it all for investors. Passive income aside, **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) can provide a portfolio with defensiveness due to the dependable nature of the utility business. And then once you add in a top dividend yield, this Dividend Aristocrat is a perfect stock to own during turbulent market periods.

At today's stock price, Algonquin Power's dividend yields just shy of 5%.

But it's the company's growth potential that really makes it a rare find for Canadian investors. Excluding dividends, shares are up a market-beating 35% over the past five years and close to 200% over the past decade.

Even growth investors would be wise to have this market-beating dividend stock on their watch list.

## Dividend stock #2: Bank of Nova Scotia

Canadian investors don't need to look much further than the major banks to build a passive-income portfolio. The Big Five all pay top yields today and own some of the longest payout streaks on the TSX.

And in addition to attractive dividends, the major banks are all currently trading at very attractive valuations. That's just one of the reasons why I've got **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) on my watch list right now.

At a dividend of close to 5%, Bank of Nova Scotia is the highest yielding amongst the Big Five. On top of that, the bank has been paying a dividend to its shareholders for close to 200 consecutive years.

If you're looking for a dependable, high-yielding dividend stock that's also cheap, Bank of Nova Scotia is for you.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BNS (Bank Of Nova Scotia)

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ndobroruka

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