



2 Great TSX Dividend Stocks to Buy for TFSA Passive Income

Description

Pensioners and other TFSA investors are searching for quality dividend stocks that will generate reliable and growing streams of tax-free passive income.

Royal Bank of Canada

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest financial institution by [market capitalization](#) and one of the top 10 banks on the planet based on that metric. The company gets its revenue from a number of segments in the sector. When one division has a rough quarter, the others often make up the slack.

Royal Bank has strong personal banking, commercial banking, wealth management, capital markets, investor and treasury services, and insurance operations. Revenue comes primarily from Canada, and the United States, but Royal Bank also has a significant international presence.

The bank built up a war chest of excess cash during the past two years. Government aid programs helped homeowners and businesses make loan payments through the lockdown periods, and this avoided the feared wave of defaults. Royal Bank is now deploying the cash to drive growth and reward investors.

The bank is buying a wealth management business in the U.K. for \$2.6 billion to boost its presence in that market. Additional deals could be on the way, including in the United States, where two of Royal Bank's Canadian peers have announced large acquisitions in the past six months.

Royal Bank raised the dividend by 11% late last year and just gave investors another 7% increase. The stock looks cheap right now after the recent pullback and provides a 3.9% dividend yield.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is Canada's largest oil and natural gas

company with a current market capitalization of \$99 billion. The rebound in energy prices over the past two years is fueling a profit windfall for the energy [sector](#), and CNRL is benefitting on both the oil and natural gas sides of the market.

CNRL arguably owns the best resource mix in the industry. The company has conventional light oil, heavy oil, oil sands, offshore oil, natural gas liquids, and natural gas facilities. CNRL typically owns its assets 100%, meaning it doesn't have to get agreement from partners to shift capital around the portfolio to take advantage of moves in commodity prices.

CNRL has a strong balance sheet and is generating significant profits at current oil and gas prices. Management has used the surge in cash flow to pay down debt and buy back shares while giving investors generous dividend increases. The board has actually raised the distribution annually for more than two decades, despite some tough times in the oil market along the way.

The stock still appears cheap, even after the big rally over the past 24 months. At the time of writing, investors can get a 3.5% dividend yield.

The bottom line on top stocks for passive income

Royal Bank and CNRL are leaders in their respective industries. The companies have proven track records of dividend growth supported by rising revenue and profits. If you have some cash to put to work in a self-directed TFSA focused on passive income, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker

2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/09/04

Date Created

2022/06/06

Author

aswalker

default watermark

default watermark