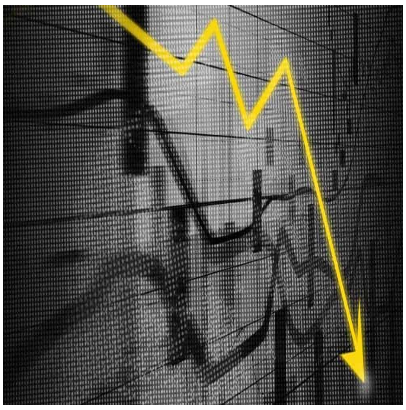

Market Correction: 3 Top TSX Dividend Stocks to Buy for TFSA Passive Income

Description

The market correction in the **TSX Index** is giving investors a chance to buy reliable dividend-growth stocks at undervalued prices. Retirees and other investors focused on passive income can now secure high yields from some top Canadian dividend stocks.

Telus

Telus (TSX:T)(NYSE:TU) trades below $28 per share at the time of writing and offers investors a 4.9% dividend yield. The stock is down from the 2022 high above $34.50, giving income investors a chance to get a great return with a shot at some attractive capital gains once the market starts to recover.

Telus generates steady revenue from its wireless, internet, and TV subscription services. The company is investing in fibre-optic lines and expanding the 5G network. These initiatives protect the competitive position the market enjoys and open up new revenue opportunities.

Telus also has investments in new segments that leverage its strong position in the communications sector. Telus Health is already a leader in the Canadian market for digital health services, providing solutions to doctors, hospitals, and insurance companies. Telus just announced plans to acquire **LifeWorks** in a deal that will expand its presence in the digital health segment.

Telus intends to raise the dividend by 7-10% per year through at least 2025. That's good guidance in the current environment.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) trades near $53 per share at the time of writing compared to the recent high above $59.50. Investors who buy the stock at the current price can pick up a 6.5% dividend yield.

Enbridge raised the dividend in each of the past 27 years and should provide ongoing annual increases of 3-5%, supported by rising distributable cash flow. The company is a giant in the North American energy infrastructure industry moving 20% of the natural gas used by Americans and 30% of the oil produced in Canada and the United States. Enbridge also has natural gas utilities, renewable energy facilities, an oil export terminal, and is exploring opportunities in hydrogen and carbon capture.

The rebound in the oil and gas sector is expected to continue for several years. This is good news for Enbridge and its investors.

Power Corp

Power Corp (TSX:POW) is a Canadian holding company primarily focused on insurance, wealth management, and asset management businesses in Canada. Subsidiaries own Canadian, U.S., and European operations, providing investors with diverse exposure to financial companies in several markets. Power Corp also has venture capital groups that invest in promising businesses in sectors such as fintech and electric vehicles. Wealthsimple is one of the holdings.

Power Corp currently trades near $33 per share and offers a 6% dividend yield. The stock is down from the 2022 high around $44.50. Rising interest rates should benefit the insurance businesses, as they can generate better returns on cash they need to set aside for potential claims.

The bottom line on top stocks for passive income

Telus, Enbridge, and Power Corp are all top dividend stocks that look undervalued and offer above-average yields today. If you have some cash to put to work in a TFSA targeting passive income, these stocks deserve to be on your radar.

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