



2 Great TSX Stocks to Start a TFSA Retirement Fund During a Market Correction

Description

Investors who missed the big rally off the 2020 crash are getting another chance to buy top TSX stocks at cheap prices to start a TFSA retirement portfolio focused on dividends and total returns.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) trades near \$124 per share at the time of writing compared to the 2022 high above \$154. The current dividend yield is 4.5%, and more payout hikes should be on the way in the coming years.

Bank of Montreal has paid a dividend every year since 1829. The board increased the distribution by 25% late in 2021 and bumped it up another 4.5%, when the company announced the fiscal Q2 2022 results.

Looking ahead, Bank of Montreal should deliver solid revenue and profit growth. The bank is in the process of buying **Bank of the West** for US\$16.3 billion in a deal that will give Bank of Montreal's existing American subsidiary, BMO Harris Bank, a significant presence in the California market and add more than 500 branches to the U.S. business.

Near-term volatility in financial stocks could push the share price even lower, but BMO stock already appears undervalued at the current share price and offers an attractive dividend yield. Investors might consider buying a half position at this level and look to add on any further downside.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) operates oil pipelines, natural gas pipelines, natural gas storage, natural gas distribution utilities, and renewable energy assets.

The rebound off the pandemic lockdowns is driving domestic and international demand growth for oil and natural gas. Jet fuel, gasoline, and diesel fuel consumption is on the rise in Canada and the United

States, as airlines ramp up capacity, commuters start returning to offices, and trucking companies deliver consumer goods. Enbridge transports oil from producers to refineries and then moves the end products to their storage destinations to be distributed by trucks to airports or service stations.

Enbridge also has an oil export terminal in the United States that it purchased last year. In addition, Enbridge is building new natural gas pipelines to deliver the commodity to liquified natural gas (LNG) facilities that ship the fuel to international buyers.

Enbridge is evaluating new opportunities in carbon capture and hydrogen hubs and continues to invest in renewable energy facilities. Finally, the natural gas distribution utility assets provide reliable and predictable cash flow to round out the overall asset mix.

The drop is the share price from \$59 a few weeks ago to the current price of \$55 gives new investors a chance to buy Enbridge stock on a decent dip and secure a 6.25% dividend yield for TFSA passive income or a portfolio focused on total returns through the use of a dividend-reinvestment strategy.

The bottom line on top stocks oversold dividend stocks to buy now for a TFSA

Bank of Montreal and Enbridge pay attractive dividends that should continue to grow over the coming years. The stocks look cheap right now and offer attractive yields for a buy-and-hold TFSA retirement portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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