



Retirees: 2 Top High-Yield TSX Dividend Stocks to Buy Now for TFSA Passive Income

Description

Retirees can take advantage of the [market correction](#) to buy top TSX stocks at discounted prices today for a self-directed TFSA portfolio focused on generating reliable passive income.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) trades near \$60 per share at the time of writing compared to the 2022 high around \$88. Investors who buy the stock at the current level can get a 5% dividend yield.

The pullback in the price of oil over the past few weeks from more than US\$120 to US\$95 is responsible for the sharp correction in energy stocks, but WTI oil still remains at a very profitable level for CNRL and its peers. Analysts and industry leaders say global oil supplies will remain very tight in the coming months and through next year, even with a possible recession on the horizon. The recent drop in the price of oil could be temporary.

CNRL is primarily known for its oil production operations, but the company is also a major natural gas producer. Global natural gas demand is expected to grow steadily in the next few years. CNRL has vast natural gas resources in key production basins that will eventually connect to liquified natural gas (LNG) facilities in British Columbia.

CNRL has increased its dividend for 22 consecutive years, and another large distribution increase is likely on the way for 2023, if not sooner. The board already hiked the payout by 28% for 2022. The compound annual dividend–growth rate over the past two decades is better than 20%.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) raised its dividend in each of the past 27 years and steady payout growth should be on the way, supported by anticipated annual increases in distributable cash flow in

the 5-7% range. The board raised the dividend by 3% for 2022.

Enbridge continues to find acquisition and development opportunities. The company purchased an oil export terminal in the United States for US\$3 billion last year. Enbridge is also building new natural gas pipelines to run the commodity to liquified natural gas (LNG) facilities on the American Gulf Coast. Global demand for Canadian and U.S. oil and natural gas is rising as countries search for reliable sources of the fuels. LNG shipments to Europe are expected to soar and utilities around the globe are turning to natural gas as an alternative to coal to produce electricity.

Enbridge cleaned up its balance sheet and streamlined its operations before the pandemic. This enabled the company to make it through the downturn in good shape. The board is now using excess cash to buy back stock in addition to giving investors larger dividend payments.

ENB stock is off the 2022 high and now offers investors a 6.4% dividend yield.

The bottom line on top TSX dividend stocks for passive income

CNRL and Enbridge are leaders in the broader energy sector and have long track records of dividend growth. If you have some cash to put to work in a TFSA focused on passive income, these stocks look [undervalued](#) and deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:ENB (Enbridge Inc.)

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