



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

Description

Canadian retirees and other dividend investors seeking reliable passive income can now buy some top high-yield TSX stocks at [undervalued](#) prices.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a key player in the midstream segment of the Canadian energy sector. The company provides a variety of services to oil and natural gas producers, including pipelines, logistics, and gas gathering and processing. Pembina Pipeline also has a propane export terminal and is evaluating opportunities that include a liquified natural gas (LNG) facility and potential carbon-capture initiatives. Investors should benefit as energy companies begin to shift more cash to increasing production in the next couple of years.

The company grew through acquisitions and development projects over the past six decades. Pembina Pipeline has a history of being an aggressive buyer in the energy infrastructure sector, but it could also become a takeover target in the near to medium term. Alternative asset managers, sovereign wealth funds, and pension funds are all looking for investments that offer reliable revenue streams and steady cash flow that can grow in the coming years.

The stock looks cheap at the current price near \$47. Pembina Pipeline traded above \$53 per share in early June. Investors who buy now can pick up a solid 5.3% dividend yield.

Pembina Pipeline pays its dividend monthly. This makes the stock attractive for retirees who need steady monthly income from their TFSA investments.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) currently offers the best dividend yield among the large Canadian banks with a current return of 5.5%. The stock trades at just \$74.50 compared to the 2022

high of \$95.

Bank of Nova Scotia reported strong results in the first half of fiscal 2022 and the board raised the dividend by 3% when the bank released the fiscal Q2 2022 results. This was on top of the 11% increase investors received late last year. The international operations that are primarily based in Mexico, Peru, Chile, and Colombia tend to scare some investors, but the Q2 numbers showed that the group is recovering well from the pandemic hit. Bank of Nova Scotia's international division reported earnings of \$605 million in fiscal Q2 compared to \$420 million in the same period in 2021.

Investors sold bank stocks in recent months on mounting recession fears and worries about how soaring interest rates will ultimately impact the Canadian housing market. A short and mild recession is likely and house prices need to come down to bring the market back to a stable level. A rise in loan defaults and a slowdown in borrowing is expected, but the pullback in Bank of Nova Scotia's share price looks overdone.

The bottom line on top stocks to buy for passive income

Pembina Pipeline and Bank of Nova Scotia are top Canadian dividend stocks that look undervalued and offer attractive dividend yields today. If you have some cash to put to work in a TFSA focused on passive income, these stocks deserve to be on your radar.

CATEGORY

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2. Investing

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1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:PPL (Pembina Pipeline Corporation)

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