



2 Cheap TSX Dividend Stocks for TFSA and RRSP Investors

Description

The correction in the **TSX Index** is finally giving [TFSA and RRSP](#) investors an opportunity to buy high-quality TSX dividend stocks at [undervalued](#) prices for a self-directed portfolio. Let's look at two examples of top TSX dividend stocks trading at attractive prices.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) has a long track record of delivering dividend growth and attractive total returns. This makes the stock a good pick for retirees seeking passive income in a TFSA. It's also a good fit for younger investors who are looking to build RRSP retirement funds and want to use dividends to buy new shares.

Enbridge's revenue comes from a broad range of energy infrastructure and renewable power assets. The company is best known for its oil pipelines that move 30% of the oil produced in Canada and the United States. Enbridge's recent oil investments focus on export opportunities as international buyers drive up demand for North American oil. The company spent US\$3 billion last year to acquire a strategic oil export platform in Texas.

Enbridge also owns natural gas utility businesses in Canada that fuel millions of homes and businesses. This is a reliable revenue stream for Enbridge and the company continues to add new customers as suburbs are built. In addition to natural gas, Enbridge's renewable energy operations include wind, solar, and geothermal facilities, all of which will continue to be in high demand as governments and businesses alike strive to hit net-zero targets.

Looking ahead, opportunities for growth are expected to come from hydrogen and carbon capture hubs. Canada is pushing to build these [hubs](#) as part of the federal government's goal to reduce emissions by 40-45%. Enbridge has the expertise to be a leader in these emerging segments and is already moving ahead on new developments.

The company's stock trades near \$55 per share at the time of writing. This is down from the 2022 high above \$59, so investors have a chance to buy Enbridge on a nice dip and pick up a 6.2% dividend

yield.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) currently offers investors a 5.5% dividend yield. That's a pretty good return for owning a top-three Canadian bank that generates strong profits and has a great track record of dividend growth.

Bank of Nova Scotia stock trades near \$75 at the time of writing compared to \$95 earlier this year. Recession fears have sent all of the bank stocks into a correction in recent months, but the selloff now appears overdone, even with some economic headwinds expected in the next couple of years.

Bank of Nova Scotia has a strong capital position and is using excess cash in 2022 to buy back stock, make acquisitions, and raise the dividend. The bank recently increased the current share repurchase program by 50% to 36 million shares. BNS also raised its ownership position in Scotiabank Chile earlier this year. Investors are also getting higher payouts. BNS hiked the dividend by 11% late last year and bumped it up another 3% when it reported fiscal Q2 2022 earnings.

Near-term volatility should be expected, but the stock now looks undervalued at 9.1 times trailing 12-month earnings.

The bottom line on top TSX dividend stocks trading at cheap prices

Enbridge and Bank of Nova Scotia are top TSX dividend stocks that offer above-average yields and now trade for attractive prices. If you have some cash to divert to your TFSA or RRSP, and are focused on income and total returns, these stocks should be on your radar.

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2. Energy Stocks
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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)

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