



Passive Income: 3 Top TSX Stocks to Buy in August

Description

Putting your money to work and having a steady stream of cash coming in is always a nice feeling. So, it's no wonder many investors seek to boost their passive income by finding top **TSX** dividend stocks to buy.

Although putting your money to work is crucial to reaching your financial goals, in an environment where a recession is likely, it can be even more important to find high-quality and reliable stocks that return income each quarter.

If you have cash you're looking to invest to grow your passive income stream, here are three of the top TSX stocks to buy in August.

A top Canadian utility stock

One of the most reliable dividend stocks to buy now, and one that's trading off its highs, offering an attractive entry point, is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin is an excellent investment because the majority of its business, roughly 75%, comes from its regulated utility business. Utilities are some of the safest stocks you can buy. And because Algonquin is well-diversified across the United States, it's a stock that introduces little risk.

It also has an attractive [green energy segment](#), which is highly defensive, adding more resilient income to Algonquin's operations. This stock is a dividend aristocrat, and dividend payments are increased each year.

So, if you're looking to boost your passive income this August by investing in a top TSX dividend stock, AQN's attractive 5.2% yield makes it one of the best to consider.

A top retail stock to buy on the TSX

Another top TSX stock to buy in August, especially if you're a dividend investor, is **Canadian Tire** ([TSX:CTC.A](#)). Canadian Tire is a well-known stock, and it's one of Canada's most admired, trusted brands. The company operates a network of 1,700 stores and gas bars across every province and territory except Nunavut. It's been quick to adopt technology into the buying process, and it owns a number of prominent brands such as Sport Chek, Helly Hansen, FGL Sports, and Mark's among others.

While retail stocks including Canadian Tire may not traditionally be thought of as dividend stocks, the company's performance has been incredible lately.

Canadian Tire has consistently beat expectations and just recently increased its dividend by a whopping 25%. After the stock sold off in the market environment this year, the dividend now offers a healthy [yield](#) just shy of 4%.

There's no question that Canadian Tire has been firing on all cylinders lately. As it continues to improve its operations, it's only going to return more cash to investors.

So, if you're looking to buy one of the top stocks on the TSX today, Canadian Tire is cheap, offers ample long-term growth potential, and is a great option for growing passive income.

A top Canadian real estate stock to buy now for attractive passive income

In addition to Canadian Tire and Algonquin, there are plenty of cheap [real estate](#) stocks on the TSX that make excellent passive income generators. One of the best is **Morguard North American Residential REIT** ([TSX:MRG.UN](#)), which owns residential assets in Canada and the U.S.

Morguard is a sound investment due to its efficient operations. It owns, manages, and invests in high-quality, well-located, geographically diversified assets across North America. It employs a proven management platform that's generated substantial, risk-adjusted returns and significant long-term growth. There are many fundamental reasons why it's worth an investment now, including its improving economics in many regions where it operates south of the border.

This is an attractive stock because it offers an impressive combination of growth potential, value, and income, providing a healthy current yield of 4.1%. Furthermore, residential real estate is another industry that's highly defensive and reliable.

While Morguard trades well off its high and at just 0.55 times its estimated net asset value, it's one of the best real estate stocks you can buy now. As its operations continue to improve and its cash flow grows, you can expect the passive income from this top TSX stock to grow along with it.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)

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