



Passive Income: 1 Top Oversold TSX Dividend Stock to Buy Now for a TFSA

Description

The 2022 [market correction](#) might have bottomed, but TFSA investors seeking reliable and growing passive income can still buy top TSX dividend stocks at [undervalued](#) prices.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) has a current [market capitalization](#) of \$64 billion. The energy infrastructure giant is best known for its vast natural gas transmission operations that include 93,300 km of natural gas pipelines and more than 650 billion cubic feet of natural gas storage capacity across Canada, the United States, and Mexico.

In addition, TC Energy has positions in seven power-generation assets with 4,300 megawatts of capacity. That's enough to provide electricity for four million homes. Finally, TC Energy's 4,900 km of oil pipelines rounds out the asset portfolio.

TC Energy made headlines in recent years with its battle to get its Keystone XL oil pipeline built. In the end, the current U.S. administration killed the project, and TC Energy booked significant losses. On the positive side, the cancellation of Keystone XL provided TC Energy with flexibility to pursue other opportunities, and the current capital plan now includes \$28 billion in projects.

Natural gas has a bright future in North America and around the globe. Domestic utilities are switching to natural gas from coal and oil to generate electricity, as they move to reduce emissions. At the same time, demand for liquified natural gas (LNG) is soaring. Europe is turning to Canada and the United States to help offset its reliance on Russian natural gas supplies. Countries in Asia are looking to source LNG from future facilities on the Canadian west coast.

TC Energy already has infrastructure in place to bring natural gas from the Marcellus and Utica shale plays in the United States to LNG facilities on the American Gulf Coast. In Canada TC Energy is building the Coastal GasLink pipeline that will connect natural gas producers in northeastern British Columbia to a new LNG facility on the coast of the province.

TC Energy stock is down after the Q2 results indicated the anticipated cost on the Coastal GasLink project is now \$11.2 billion. That's about 70% higher than the original estimate. This is frustrating for investors, but the company has settled a dispute with LNG Canada on cost sharing and the clarity on the projects outlook should be a net positive for the stock.

TC Energy trades below \$66 per share at the time of writing compared to \$74 just two months ago. The pullback appears overdone, and investors can now get a 5.5% dividend yield. TC Energy raised the payout in each of the past 22 years. Annual dividend growth in the 3-5% range is expected over the medium term.

The bottom line on top stocks to buy for passive income

TC Energy pays an attractive and growing dividend. If you have some cash to put to work in a TFSA focused on passive income, this stock looks cheap today and deserves to be on your radar.

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