# RRSP and TFSA Investors: 2 Cheap TSX Dividend Stocks to Buy Now

### Description

Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA) investors have a chance to buy top Canadian dividend stocks at discounted prices right now for portfolios focused on RRSP total returns or TFSA passive income.



## Enbridge

**Enbridge** (TSX:ENB)(NYSE:ENB) is a giant in the North American energy infrastructure sector with a current market capitalization near $112 billion. The company moves 30% of the oil produced in Canada and the United States and 20% of the natural gas used by Americans.

The days of relying on pipeline mega projects to drive growth are probably over, but Enbridge is still finding opportunities for revenue and cash flow expansion. Exporting oil and liquified natural gas (LNG) is going to be a meaningful part of Enbridge's growth in the next few years. The company spent US$3 billion on an oil export terminal in 2021 and recently announced a deal to take a 30% ownership position in the $5.1 billion Woodfibre LNG site being built in British Columbia. Enbridge is also expanding natural gas pipeline networks to deliver the fuel to LNG facilities.

Hydrogen production and carbon capture are other areas of growth for the business. Companies and governments are keen to reduce emissions in the coming years and mixing hydrogen with natural gas is one option for helping meet net-zero goals. Carbon sequestration and storage is another strategy. Enbridge has the infrastructure and technical expertise to be a leader in both these areas.

The board raised the dividend in each of the past 27 years. Ongoing annual increases will likely be in the 3-5% range, supported by the current $13 billion capital program. Investors who buy the stock now can get a 6.2% dividend yield.

Enbridge is a good stock to buy for TFSA passive income and is also attractive for RRSP investors who use their dividends to buy new shares to build their retirement portfolios. The stock trades near $55.50 at the time of writing compared to $59.50 in June.

# Telus

**Telus** (TSX:T)(NYSE:TU) typically raises its dividend twice per year and is targeting annual dividend growth of 7-10% over the medium term. The company offers investors a nice mix of reliable telecom revenue with an opportunity for meaningful growth through disruptor subsidiaries.

Telus recently closed its purchase of LifeWorks. The $2.3 billion deal will give Telus Health an expanded global footprint in the emerging digital health sector. The business offers digital health solutions for corporations, health professionals, hospitals, and insurance companies.

Another subsidiary, Telus Agriculture, is helping farmers make their operations more efficient. The group is expanding into the full consumer goods sphere with new digital solutions aimed at improving the way products are produced, distributed, and consumed.

Telus generated solid second-quarter 2022 results with adjusted earnings per share increasing 23% compared to the same period last year. Investors who buy now can get a solid 4.6% dividend yield.

Telus is a good stock to buy if you are searching for a defensive pick with a revenue stream that normally holds up well during a recession. The share price looks cheap today at less than $30. Telus traded above $34 earlier this year.



# The bottom line on top stocks to buy for RRSP and TFSA portfolios

Enbridge and Telus pay attractive dividends that should continue to grow. If you have some cash to put to work in a TFSA or RRSP, these stocks look cheap and deserve to be on your radar.

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