



## Passive-Income Alert: 2 Top TSX Stocks to Buy Now for 6% Yields

### Description

The [market correction](#) is giving retirees and other investors seeking passive income a chance to buy great Canadian dividend stocks at [undervalued](#) prices.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) trades below \$61.50 per share at the time of writing compared to the 2022 high around \$74. Investors who buy BCE stock at this level can secure a solid 6% dividend yield.

BCE has always been a top pick among income investors due to the generous distributions and the steady payout growth. The board raised the dividend by at least 5% in each of the past 14 years, and investors should see another increase in that range in 2023. BCE generated strong second-quarter (Q2) 2022 earnings and is on track to hit its financial guidance for the year. Adjusted net earnings increased by 5.3% in Q2 compared to the same period last year. Free cash flow rose more than 7%.

BCE enjoys a wide competitive moat, and the company is making the necessary investments to defend its position in the market. The \$5 billion capital program in 2022 is spread across the wireline and wireless divisions. BCE is connecting another 900,000 customers to fibre optic lines. The company is also expanding its 5G network.

BCE is a good stock to buy if you want a defensive holding to ride out the anticipated recession. The mobile and internet subscription revenue should remain steady due to the essential nature of these services. Media advertising revenue might slip, but increased holiday and business travel should drive up roaming fees in the mobile business to help offset potential weakness in the media group.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a leader in the North American energy infrastructure industry. The vast pipeline networks move 30% of the oil produced in the U.S. and Canada and 20% of the natural gas used in the United States. Enbridge also has natural gas distribution utilities that provide

millions of homes and businesses with the fuel. In addition, Enbridge operates a growing renewable energy division with solar, wind, and geothermal assets.

Management is positioning the business to take advantage of the rising international demand for North American oil and natural gas. Enbridge purchased an oil export terminal in Texas for US\$3 billion last year. The company also recently announced a deal to take a 30% stake in the Woodfibre liquified natural gas (LNG) project in British Columbia.

Enbridge has a \$13 billion capital program on the go that will drive revenue and cash flow growth to support dividend increases. The board raised the payout in each of the past 27 years. An increase of 3-5% is likely on the way for 2023.

Enbridge stock trades below \$52 at the time of writing compared to more than \$59 a few months ago. Investors who buy the stock at the current price can get a 6.6% dividend yield.

## The bottom line on top stocks to buy for passive income

BCE and Enbridge are leaders in their industries and pay attractive dividends that should continue to grow. If you have some cash to put to work in a TFSA focused on passive income, these stocks look cheap today and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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