3 TSX Stocks to Make the Perfect Passive Income Portfolio

Description

Many new investors are focused on creating passive income through dividend stocks right now. This wasn't the case a few years ago during the pandemic, when it seemed like growth stocks were the best bet. But times have changed, and it's become obvious that during a downturn, it's a good idea to have extra cash coming in.

That's why now is a great time to create a passive income portfolio. Stocks are going through a downturn, offering ultra-high dividend yields. But the key is finding the ones that will bounce back. So, let's look at three **TSX** stocks that are likely to turn around quickly for a strong, enduring passive income portfolio.

SmartCentres REIT

It pretty much goes without saying that investors should consider a real estate investment trust (REIT) for passive income. However, not all are as great as **SmartCentres REIT** (TSX:SRU.UN). SmartCentres is well known and established for its retail locations, but it's also been expanding into a new stage of revenue growth.

This stage includes both residential and industrial properties. Now the company will have multiple sources of property revenue located all across Canada. And yet shares trade down 17.24% year-to-date as of this writing. It now trades at just 3.98 times earnings, and it still has enough equity that it would take just 82.68% of that equity to cover all of its debts.

This makes it a safe passive income stock, and you can rest easy while locking in its ultra-high 7.1% dividend yield.

BMO stock

Another strong option is picking up one or two of the Big Six Banks. I would recommend **Bank of Montreal** (TSX:BMO)(NYSE:BMO) today if you're looking for dividends *and* growth from your TSX stocks.

BMO has been growing its operations and continued to do so even during the pandemic-related uncertainty. It now has a massive presence in the United States through its Bank of the West operations. Furthermore, it's the most valuable of the bank stocks, trading at just 7.32 times earnings. Plus, it offers one of the highest dividend yields at 4.58% as of this writing.

With shares down about 7.7% on the TSX today, you can lock in the safety and security of a Big Six Bank for an absolute steal.

TransAlta Renewables

Finally, for those prioritizing safety and security, I would stay away from oil and gas stocks. If you're looking at long-term investments, consider renewable stocks instead. This will get you in early on the transition to green and clean as governments and businesses alike strive to reach net-zero targets. With that in mind, **TransAlta Renewables** (TSX:RNW) is an excellent option. The company has global operations focused on creating renewable energy power sources, plus it hands out dividends monthly!

TransAlta stock now offers a substantial 5.98% dividend yield as of this writing, with shares down 15.5% year-to-date. You can pick it up while it's trading at 2.24 times book value. It's also proven to be quite responsible with its cash, and it would currently take just 49.23% of its equity to cover all of its debts.

As TransAlta continues to expand, it's going to be one of the TSX stocks you'll wish you had purchased as shares climb. All while receiving a solid monthly dividend.

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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