



## Retirees: 2 On-Sale TSX Dividend Stocks to Buy Now for Passive Income

### Description

The [market correction](#) is giving retirees and other Tax-Free Savings Account (TFSA) investors seeking passive income a chance to buy top Canadian dividend stocks at discounted prices.

### TC Energy

**TC Energy** ([TSX:TRP](#)) used to be called TransCanada, but the board wanted the name to better reflect what the company does and where it operates. The energy infrastructure giant has oil pipelines, natural gas pipelines, natural gas storage, and power production assets located in Canada, the United States, and Mexico.

The core business focuses on natural gas transmission across the 93,300 km of natural gas pipelines and more than 650 billion cubic feet of natural gas storage capacity. Natural gas has a bright future in both the domestic and international markets. Utilities that use coal to produce power are switching to natural gas as part of the transition to cleaner energy production and reduction of carbon dioxide emissions.

Overseas, the trend is the same. In addition, the war in Ukraine has forced buyers in Europe and other regions to find new, reliable long-term supplies of liquified natural gas (LNG). TC Energy is building the Coastal GasLink pipeline in British Columbia that will connect producers in the province to a new LNG facility on the coast. The company also has strategic infrastructure in the United States that runs from the Marcellus and Utica shale plays down to the American Gulf Coast where LNG facilities currently ship the fuel to foreign buyers.

TC Energy stock trades near \$57 per share at the time of writing compared to \$74 a few months ago. The pullback appears overdone, and investors seeking passive income can now lock in a 6.3% dividend yield.

### Bank of Nova Scotia

**Bank of Nova Scotia (TSX:BNS)** is Canada's third-largest bank with a current [market capitalization](#) of \$80 billion. Investors often overlook BNS stock in favour of the bigger peers due to the large international group that primarily operates in Mexico, Peru, Chile, and Colombia. The four countries are members of the Pacific Alliance trade bloc that enables the free movement of goods, capital, and labour. Combined, they have a population of more than 230 million consumers.

Political uncertainty is often present in these countries. In addition, their reliance on commodity prices, particularly oil and copper, for a good chunk of their revenues makes their economies more volatile. However, they offer attractive long-term growth opportunities for Bank of Nova Scotia, as the middle class expands, and demand rises for loans and investment products.

Bank of Nova Scotia is very profitable, and that is expected to remain the case, even as the global economy appears headed for a recession. The stock looks undervalued at the current price near \$66. It was \$95 in February. Investors who buy at the current level can get a 6.2% dividend yield.

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

TC Energy and Bank of Nova Scotia 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 oversold today and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:TRP (TC Energy Corporation)

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