



## 2 Top TSX Dividend Stocks Now Yielding 6% for Passive Income

### Description

Investors seeking passive income can now find top [TSX](#) dividend stocks trading at [undervalued](#) prices for a [Tax-Free Savings Account \(TFSA\)](#) portfolio. Buying great dividend stocks on big pullbacks locks in higher yields and can lead to nice capital gains when the market rebounds.

### BCE

**BCE** ([TSX:BCE](#)) is a long-term, popular pick among retirees and other investors focused on generating reliable passive income from their savings. The company has a good track record of dividend growth, and the stock typically offers an attractive yield.

BCE raised the dividend by at least 5% annually over the past 14 years. Investors should see another increase in that range for 2023. BCE is on track to meet its financial targets for the year. This includes free cash flow growth of 2-10%.

BCE should be a good stock to own during a recession. Internet and mobile phone subscribers need these services regardless of the state of the economy. This means the revenue streams should hold up well in challenging times. That being said, BCE isn't recession proof. The media group could see advertising revenues drop, and phone upgrades will likely slow, as people cut discretionary spending. These are much smaller contributors to the overall revenue stream than the wireless and wireline services, so the impact should be small.

BCE stock looks oversold at the current price near \$57 per share. It traded as high as \$74 this year. Investors who buy now can get a solid 6.4% dividend yield.

### Enbridge

**Enbridge** ([TSX:ENB](#)) trades for less than \$50 per share at the time of writing compared to \$59 a few months ago. The dividend now provides a 6.9% yield. That's a great return from an industry leader that should benefit from the oil and natural gas rebound.

Enbridge is a giant in the North American energy infrastructure sector. The company moves 30% of the oil produced in Canada and the United States and transports 20% of the natural gas used by American homes and businesses. In addition, Enbridge has natural gas distribution utilities that serve millions of Canadian customers and a growing renewable energy group.

Enbridge is working on a \$13 billion secured capital program to drive growth in revenue and distributable cash flow over the medium term. The company is also taking advantage of its size to make strategic acquisitions. Recent deals include the purchase of a wind and solar construction firm in the United States, an oil export terminal in Texas, and an interest in a new liquified natural gas (LNG) facility being built in British Columbia.

Future growth could come from carbon-capture hubs and the production of hydrogen. Enbridge already has projects underway in these new segments, which are expected to grow considerably in the coming years.

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

BCE and Enbridge are leaders in their respective 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 appear oversold right now and deserve to be on your radar.

### CATEGORY

1. Investing

### TICKERS GLOBAL

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

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