



Great TSX Stocks for Massive TFSA Passive Income

Description

Young [TFSA investors](#) should be happy that the bear market is continuing to sink lower. It's a chance to get more quality merchandise at lower prices. When you start thinking about the long term, rather than focusing on making a quick buck via trading, you'll take a lot of the emotions out of those action-packed daily market moves. Indeed, you don't even need to watch markets by the day if you're on the right track, unless it's to take advantage of buying opportunities.

As buyer liquidity dries up, the best of [bargains](#) may be ahead. Though it's tempting to time the bottom of this market, you should stay disciplined and never put every penny to work all in one go. It's hard to tell when markets are ready to turn, and if better prices are, in fact, up ahead, you'll need more dough to benefit from Mr. Market's markdowns!

Passive income power plays for TFSA investors!

In this piece, we'll have a look at three great TSX stocks I'd look to pick up if you seek to turn your TFSA into a source of massive passive income. Consider **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), **Leon's Furniture** ([TSX:LNF](#)), and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)).

Scotiabank

With a bountiful 6.25% dividend yield, Scotiabank stands out as a rare opportunity for those income-hungry banking bulls. Though Scotiabank's Latin American business is weighing it down more than its peers, I do think the stock is one of the best deals in the Canadian banking scene today, at a 7.9 times trailing price-to-earnings (P/E), one of the lowest of the Big Six.

Scotiabank's dividend isn't just safe. It will keep growing through any coming recessions. No doubt, rising loan losses will propel the P/E higher. At the end of the day, though, top bank stocks tend to rally with fury once the page is turned on the economic cycle. This time is no different. Scotiabank has been stressed before, only to rise, rewarding contrarians who bought on the dip.

I view Scotiabank's Latin American business as a huge growth driver for young investors seeking richer long-term returns. As others shy from financials and emerging markets, I think it's time to step in as a buyer while shares are off 30% from 52-week highs.

Leon's Furniture

Leon's Furniture is a furnishing heavyweight that has a pretty wide moat around the Canadian market. Wide moat stocks have competitive advantages that help them outperform their peer group over the long term. With The Brick and Leon's flagship store, the firm provides durable furniture for fairly reasonable prices.

In prior pieces, I noted that new first-time homebuyers (with first-time homebuyer benefits) would likely open up their wallets wide to furnish their new homes. Indeed, a 2023 recession has wrecked this thesis. However, over the next five years, I think Leon's will be back in rally mode, as demand for discretionary takes a march higher.

At 6.6 times trailing P/E, LNF stock is another cheap way to score a bountiful dividend yield (currently 3.7%).

TC Energy

TC Energy is a pipeline company that's about as stable as they come. It's got natural gas, liquid energy exposure, and capable managers who know how to pursue regulated projects. It's these projects that can help TC steadily grow its cash flows over the years. Even with a recession considered, the energy industry is still on solid footing, with OPEC+ poised to cut production.

Domestic energy demand could stay strong for longer. Even so, somebody has to move the energy across points of interest. TC will continue to do its part to fulfill the demand for domestic energy. And I think the stock's too cheap at 17.8 times trailing P/E, with its 6.32% yield.

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2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:LNF (Leon's Furniture Limited)
5. TSX:TRP (TC Energy Corporation)

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