



## 2 High-Yield Dividend Stocks You Could Hold for Years

### Description

The [market correction](#) is giving retirees and other dividend investors focused on passive income a chance to buy great [TSX](#) dividend stocks at [undervalued](#) prices. The dip is driving dividend yields to very attractive levels.

### Manulife

**Manulife** ([TSX:MFC](#)) is an insurance, wealth management, and asset management company with operations primarily located in Canada, the United States, and Asia.

Management has done a good job of reducing risk in the American business by selling or reinsuring legacy U.S. variable annuities. The segment led to major losses during the Great Recession and forced Manulife to slash its dividend.

Over the past decade, the company has rebounded, and the dividend has more than recovered. Manulife generated record profits in 2021 and raised the quarterly dividend by 18% late last year to \$0.33 per share.

Higher insurance claims due to COVID-19 hit profits early this year and the extended downturn in equity market has put pressure on the wealth and asset management businesses through the first and second quarters of 2022. This is largely the reason the stock is down from \$28 to the current price near \$22.50.

Looking ahead, investors should see a positive impact from rising interest rates and reduced COVID-19 mortality and morbidity claims. Stock markets will also eventually recover, leading to better results in the wealth management business.

Investors who buy MFC stock at the current level can get a 5.8% dividend yield.

## TC Energy

**TC Energy** ([TSX:TRP](#)) trades for \$59.50 at the time of writing compared to \$74 at the high in June. The drop in the share price appears overdone, given the strong demand for natural gas in both the domestic and international markets.

TC Energy's core operations centre around the transmission of natural gas. The company has 93,300 km of natural gas pipelines and more than 650 billion cubic feet of natural gas storage facilities located in Canada, the United States, and Mexico.

TC Energy is building the Coastal GasLink pipeline that will deliver natural gas from producers in northeastern British Columbia to a new liquified natural gas (LNG) facility on the B.C. coast. In the United States, TC Energy has infrastructure that connects producers in the key Marcellus and Utica shale plays to LNG sites on the American Gulf Coast.

TC Energy also has power generation and oil pipeline assets that round out the revenue stream. The rebound in global oil and gas demand is expected to continue for several years and TC Energy is in a good position to benefit from the growth.

Investors can now get a 6% dividend yield from TRP stock. Ongoing annual dividend increases of 3-5% should be on the way, supported by the \$28 billion capital program.

## The bottom line on top TSX dividend stocks to buy for high yields

Manulife and TC Energy pay attractive dividends that should continue to grow. If you have some cash to put to work in a Tax-Free Savings Account focused on passive income, these high-yield dividend stocks look undervalued today and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:TRP (TC Energy Corporation)

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#### **Date**

2025/07/26

#### **Date Created**

2022/11/05

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