



## Passive Income: 2 Top TSX Dividend Stocks to Buy for a TFSA

### Description

Retirees and other investors who use their Tax-Free Savings Account (TFSA) to generate passive income are searching for top [TSX](#) dividend stocks to buy in an uncertain economic climate. Companies with strong track records of dividend growth and recession-resistant revenues should be attractive in the current environment.

### Enbridge

**Enbridge** ([TSX:ENB](#)) just announced a 3.2% dividend increase. This makes 28 consecutive years the board has raised the payout. The new annualized distribution of \$3.55 per share provides a yield of 6.6% at the current share price.

Enbridge is working on a \$17 billion capital program that should help drive distributable cash flow higher in the next few years. The company is also large enough to make strategic acquisitions to boost revenue. Recent deals have focused on export opportunities and renewable energy. Enbridge spent US\$3 billion last year to buy an oil export terminal in Texas. In 2022, Enbridge announced an agreement to take a 30% stake in the Woodfibre liquified natural gas (LNG) facility being built in British Columbia. In addition, Enbridge recently spent US\$270 million to acquire a solar and wind project developer, Tri Global Energy, in the United States.

Domestic and international demand for North American oil and natural gas is expected to grow in 2023. Commuters are heading back to offices, and airlines are ramping up capacity. This will increase fuel demand. At the same time, Europe is scrambling to secure long-term supplies of LNG in an effort to end its reliance on Russia.

Enbridge moves 30% of the oil produced in Canada and the United States. The company also transports about a fifth of the natural gas used by Americans.

### BCE

**BCE** ([TSX:BCE](#)) reported a solid third quarter (Q3) and is on track to meet its 2022 financial goals.

The Canadian communications giant generated \$6.02 billion in operating revenues in Q3 2022, up 3.2% over the same period last year. Adjusted net earnings increased 7.1% to \$801 million. Earnings per share rose 7.3% on an adjusted basis, and free cash flow jumped 13.4%.

The board raised the dividend by at least 5% in each of the past 14 years, and investors should see a similar hike announced for 2023. At the current share price near \$63.50, the stock provides a 5.8% dividend yield.

BCE traded as high as \$74 earlier this year, so there is decent upside potential when the market rebounds. BCE gets most of its revenue from essential mobile and internet services. As such, the drop in the share price on recession fears might be overdone.

BCE continues to invest billions of dollars in fibre-optic lines and the [5G](#) mobile network to protect its competitive position and boost future revenues.

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

Enbridge and BCE are industry leaders with 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 deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:ENB (Enbridge Inc.)

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