



Passive Income: 2 Top TSX Dividend Stocks to Buy for 2023

Description

Retirees and other investors seeking reliable passive income are wondering which [TSX](#) dividend stocks are good to buy, as we potentially head into a recession in 2023. Stocks with long track records of dividend growth and solid revenue streams should be attractive picks in this environment.

Fortunately, the [market correction](#) is now giving income investors a chance to buy some great Canadian dividend stocks at undervalued prices.

BCE

BCE ([TSX:BCE](#)) trades for close to \$60 per share at the time of writing compared to \$74 in the spring of 2022. The extent of the pullback appears overdone given BCE's solid results this year and the recession-resistant nature of its core revenue streams.

BCE generated adjusted net earnings of \$801 million in the third quarter (Q3) of 2022, up 7.1% compared to the same period in 2021. Adjusted earnings per share rose 7.3% and free cash flow jumped 13.4%.

BCE is on track to meet its fiscal 2022 guidance, so there should be a decent dividend increase on the way in 2023. BCE typically raises the payout by 5%, and that would be a reasonable expectation for the coming year.

BCE is making the investments needed to protect its competitive position and drive future revenue growth. The company connected another 900,000 customer buildings with fibre optic lines in 2022 and continued to expand its [5G](#) mobile network.

Investors who buy BCE stock at the current price can get a solid 6.1% dividend yield for their portfolio focused on passive income.

Enbridge

Enbridge ([TSX:ENB](#)) just increased its dividend by 3.2% for 2023. This is the 28th consecutive annual dividend hike from the energy infrastructure giant.

Enbridge transports about 30% of the oil produced in Canada and the United States. Building large new oil pipelines is getting more difficult amid strong public and government opposition. This means Enbridge has to find other opportunities to drive revenue growth.

Exports are becoming a bigger segment for the company as demand for North American oil and natural gas rises. Enbridge spent US\$3 billion to buy an oil export terminal in Texas in 2021. The company has also taken a 30% stake in the Woodfibre liquified natural gas (LNG) facility being built in British Columbia.

Enbridge's renewable energy group continues to expand through new projects and acquisitions. The division recently completed a large wind project in France and purchased an American renewable energy project developer.

Hydrogen production and carbon sequestration are emerging opportunities that Enbridge is also targeting for future growth.

Enbridge stock trades for close to \$53.50 at the time of writing compared to more than \$59 earlier this year. Investors can now get a 6.6% dividend yield from ENB stock.

The bottom line on top stocks to buy for passive income in 2023

BCE and Enbridge pay attractive dividends that should continue to grow. The share prices appear cheap today, and the two companies should be solid picks for passive income in 2023 and beyond.

If you have some cash to put to work, these stocks deserve to be on your radar.

CATEGORY

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aswalker

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