



## 2 Top TSX Stocks for TFSA Investors to Buy Now

### Description

The [market correction](#) is providing investors with a good opportunity to buy discounted [TSX](#) dividend stocks for Tax-Free Savings Account (TFSA) portfolios focused on passive income and total returns.

### TC Energy

**TC Energy** ([TSX:TRP](#)) is a major player in the North American energy infrastructure industry. The company is best known for its natural gas transmission assets with more than 93,000 km of natural gas pipelines running across Canada, the United States, and Mexico. TC Energy also has oil pipelines and power-generation facilities.

The current \$34 billion capital program is expected to drive revenue growth and cash flow expansion in the next few years.

Despite the growth profile, the stock took a big hit over the past six months, largely due to ongoing challenges and surging costs on its Coastal GasLink pipeline. The project will eventually bring natural gas from producers in northeastern British Columbia to a new liquified natural gas (LNG) facility being built on the B.C. coast. At its annual investor day in November, TC Energy said the development is 80% complete, and the company will provide an updated cost forecast in early 2023.

The board still intends to raise the dividend by 3-5% annually through 2026.

At the time of writing, TC Energy stock trades for close to \$57 per share. This is down from the 2022 high around \$74. Investors who buy TRP stock at the current level can get a 6.3% dividend yield.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#)) is down about 27% over the past 12 months. The decline through most of 2022 occurred, as investors became increasingly concerned about the threat of a recession 2023.

The Bank of Canada and the U.S. Federal Reserve raised interest rates aggressively last year and are expected to push rates even higher in the coming weeks in an ongoing effort to cool off an overheated economy and get inflation under control. The combination of higher living costs and soaring debt expenses has investors worried that thousands of businesses and households will not be able to make their loan payments once they burn through their pandemic savings.

In the event the central banks trigger a deep recession, unemployment could surge, and the bankruptcy claims could skyrocket. Canada's housing market could potentially shift from a controlled downturn to a crash. In that scenario, Bank of Nova Scotia and its peers might see larger-than-expected loan losses.

Bank of Nova Scotia's incoming chief executive officer recently said that 20,000 residential mortgage customers are considered vulnerable if conditions deteriorate. This would be about 2.5% of the mortgage portfolio, which is easily manageable.

How the situation will ultimately pan out is anyone's guess. Economists broadly expect a recession to be short and mild. Even if it turns out to be worse than that, the drop in Bank of Nova Scotia's share price appears overdone.

Investors can buy the stock for just 8.6 times trailing 12-month earnings right now and can pick up a 6% dividend yield.

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

Additional downside is certainly possible, but contrarian investors seeking reliable passive income might want to consider adding TC Energy and Bank of Nova Scotia to their portfolios while these top TSX dividend stocks are out of favour.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:TRP (TC Energy Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn

5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

#### **PP NOTIFY USER**

1. aswalker
2. kduncombe

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/06/27

#### **Date Created**

2023/01/17

#### **Author**

aswalker

default watermark

default watermark