



## 2 Superb Stocks for TFSA Passive Income

### Description

The [market correction](#) is giving retirees and other investors seeking quality dividends as chance to buy top [TSX](#) stocks at cheap prices for Tax-Free Savings Account (TFSA) portfolios focused on passive income.

### Enbridge

**Enbridge** ([TSX:ENB](#)) has raised its dividend in each of the past 28 years. The latest increase bumped up the payout by 3.2% for 2023.

The stock has staged a nice rebound off the 2022 low it hit in October, but more upside should be on the way.

Enbridge trades near \$56 at the time of writing, that's still down from the June high around \$59.50. It wouldn't be a surprise to see Enbridge stock top \$60 in 2023.

Why?

The rebound in domestic and international fuel demand should continue this year, even if there is a recession. Airlines are announcing large plane orders to meet soaring travel demand. This is going to drive up fuel consumption in the coming years. At the same time, companies are increasingly calling employees back to the office, and that trend is expected to continue. The hybrid model is likely here to stay, but this could actually increase the number of cars on the highways, as commuters who previously took public transit five days a week might decide to drive when they have to head to the city.

Enbridge has shifted its investment focus to new segments. The company purchased an oil export terminal in Texas in 2021 and recently announced a 30% stake in the Woodfibre LNG project in British Columbia. Enbridge is also expanding its natural gas utility assets and continues to build up its renewable energy holdings.

The capital program is up to \$17 billion. This will help drive revenue and cash flow growth to support

future dividend increases.

Enbridge stock still offers a 6.3% dividend yield for investors seeking reliable passive income.

## Telus

**Telus** ([TSX:T](#)) is good stock to buy if you are worried about a recession. The company gets most of its revenue from essential wireless and broadband internet service subscriptions. Telus has the power to raise prices when it needs extra cash to cover rising operating costs. This is important to consider in the current era of high inflation.

Telus stock trades for \$28 per share at the time of writing. That's down from more than \$34 at the 2022 high. The drop looks overdone considering the stability of the revenue stream and the solid performance of the business through 2022. Telus is expected to announce good fourth-quarter results, extending the strong performance of the business in the third quarter of last year.

Telus doesn't have a media business, so it will avoid the anticipated decline in advertising revenues that will impact its peers. The board is targeting annual dividend growth of 7-10% over the next few years. Telus is decreasing its capital program by about \$1 billion in 2023. This should free up more cash for dividends. At the time of writing, the stock offers a 5% dividend yield.

## The bottom line on top stocks for TFSA passive income

Enbridge and Telus pay attractive dividends that should continue to grow in the coming years. 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

### TICKERS GLOBAL

1. TSX:ENB (Enbridge Inc.)
2. TSX:T (TELUS)

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