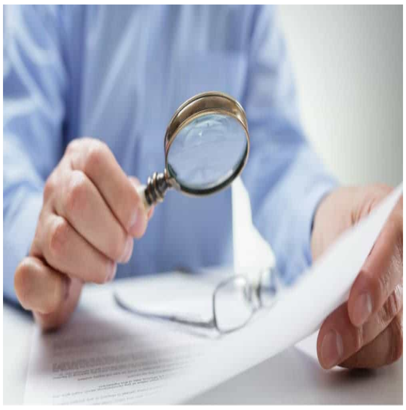

Passive-Income Investors: 2 TSX Dividend Stocks to Watch in February

Description

It's been somewhat of a surprising start to the year for the Canadian stock market. The **S&P/TSX Composite Index** is up over 5% year to date, putting the index near positive territory over the past 12 months.

While I'll gladly take the short-term gains, I'm prepared for another volatile year in the stock market in 2023. Both interest rates and inflation remain far above pre-pandemic levels, and there is a looming recession that may have already begun.

Despite my bearish short-term view, though, I'm certainly not putting the brakes on my investment contributions. Having a long-term time horizon allows me to ignore short-term noise in the stock market and, instead, focus on buying top-quality TSX stocks, many of which are trading at discounted prices today.

Investing in dividend stocks

My total contributions may not have changed much over the past year, but my investing strategy has. After the poor performance of growth stocks in 2022, I realized that I was slightly over-indexed toward high-risk tech companies in my portfolio. With that in mind, I'll be aiming in 2023 to increase my exposure to dependable dividend-paying companies in an effort to improve diversification.

The benefits of owning a slow-growing dividend stock are twofold. The first, of course, is passive income. The second is that the stock can help provide stability to an investment portfolio, which growth investors could have used lots of in 2022.

I've reviewed two top dividend stocks that I've got high up on my watch list right now. If you're also looking to add some passive income and dependability to your portfolio, I'd strongly suggest keeping an eye on these two companies.

Brookfield Infrastructure Partners

At today's 4% dividend yield, **Brookfield Infrastructure Partners** (TSX:BIP.UN) isn't the highest-yielding stock on the TSX. But if you're looking for a dependable company to add to your portfolio, this is as solid an option around.

The $20 billion company is a global utility provider, which explains why the stock provides so much stability. The utility business is as dependable as they come, which often leads to very low levels of volatility.

Shares are already nearing a 10% gain on the year, putting the utility stock down 5% over the past 12 months. Going back five years, not even including dividends, Brookfield Infrastructure Partners has more than doubled the returns of the broader Canadian stock market.

Bank of Nova Scotia

When it comes to top dividend stocks, not many companies can compete with the Canadian banks. The yields are high — there's no denying that — but it's the payout streaks that are really tough to beat. The Big Five currently own some of the longest payout streaks on the TSX.

Near the top of that list is **Bank of Nova Scotia** (TSX:BNS). In addition to yielding just shy of 6%, the $85 billion bank has been paying a dividend to its shareholders for close to 200 consecutive years. The bank has also increased its dividend every year since 2010.

Good luck trying to find a dividend stock yielding more than 5% with a payout streak anywhere near even 100 years.

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