



## 3 Legit Ways to Make \$4,664 in Passive Income

### Description

Some dividend stocks can help an investor replace an entire month's salary with passive income. Here are the top three ways investors can make up to \$4,664 in passive income this year.

### #1. Suncor stock

**Suncor Energy** ([TSX:SU](#)) had a turbulent 2022, nearly doubling in share price before tumbling, as oil prices collapsed from \$124 a barrel to below the \$100-a-barrel level. Pressure from activist investors and safety issues rocked the stock's sentiments. Nevertheless, it finished the year up by more than 30%, outperforming the TSX.

After a comprehensive review of assets, strategy, and leadership, the company is well positioned for the year ahead, with oil prices finding support above the \$70-a-barrel level. The sale of non-core renewable energy assets and the monetization of other holdings opens the door for the company to focus on high-growth operations.

Production refining and retail operations enable Suncor to easily ride out any oil price volatility. The company generated \$4.5 billion in adjusted funds from operations in the third quarter of last year. Consequently, the company was able to distribute \$1.7 billion to shareholders via dividends and share buybacks. There is already talk that the company could increase its capital allocation to share repurchase by 75% in the first quarter of its retail business, fetching more than \$10 billion.

The stock is undervalued, trading with a price-to-earnings multiple of seven. It offers an enticing 5% dividend yield. Deploying a portion of a maxed-out Tax-Free Savings Account in such a stock could deliver roughly \$4,400 in passive income this year. There's also a chance of dividend growth or special dividend payouts, which could increase the total return in 2023.

Suncor Energy is a solid energy value play for anyone looking to invest in a discount play in the energy sector for dividends.

## #2. Canadian Natural Resources

**Canadian Natural Resources** ([TSX:CNQ](#)) is another lucrative [dividend stock](#).

CNQ was one of the best-performing stocks, as the overall Canadian stock market came under pressure in 2022. The stock was up by more than 25%. In contrast, the TSX tumbled 9%, as inflation and recession risks rattled investors' sentiments in the market.

Fast forward, the stock is showing signs of edging higher, as investors remain optimistic about oil prices finding support above the crucial \$70-a-barrel level after a steep pullback. While the oil business has a history of being extremely volatile, Canadian Natural Resources has been able to remain afloat due to its exceptionally high-quality operations. Decades-long energy reserves have also helped protect the company's margins.

As the largest energy producer in Canada, the company is well positioned to produce oil and gas with high levels of factory efficiency. While the management team owns a large stake in the business, it is well incentivized to always act in a way that ensures and enhances shareholders' best interests.

Canadian Natural Resources boasts some of the industry's strongest energy reserves. Over the past 22 years, the company has increased its dividend at an annual rate of 22%. Last year alone, the company raised its dividend twice, as other companies shelved programs to conserve capital amid the uncertainty that gripped the global economy. It also paid a special \$1.50-a-share dividend.

Currently, the company boasts a solid 4.64% dividend yield. However, I believe the total payout could be higher, as CNQ pays off its debt and boosts shareholder rewards in the months ahead.

## GIC

The Bank of Canada's aggressive rate-hiking cycle over the course of 2022 has made some savings accounts more attractive than dividend stocks. That means you can expect a better yield than Guaranteed Investment Certificate (GIC) than from telecom or oil stocks.

Bear in mind, these GICs are significantly safer than dividend stocks. That means the rate of return you get here should be more attractive for an investor seeking passive income.

At the moment, Saven Financial offers up to 5.3% on a one-year GIC. That means a maxed-out TFSA (\$88,000) in this account could deliver up to \$4,664 in passive income. The instrument certainly deserves a spot on your radar in 2023.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Suncor	\$45	1,955	\$0.52	\$4,066	Quarterly
CanadianNatural Resources	\$81	1,085	\$0.85	\$3,689	Quarterly
GIC	N/A	N/A	N/A	\$4,664	Annual

## CATEGORY

- Investing

## TICKERS GLOBAL

- NYSE:CNQ (Canadian Natural Resources)
- TSX:CNQ (Canadian Natural Resources Limited)
- TSX:SU (Suncor Energy Inc.)

## PARTNER-FEEDS

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