3 Safe-Haven Utilities to Buy in Today's Rocky Market

Description

The market has taken a beating over the last year. The S&P/TSX Composite Index is down over 18%, and there's no telling what could happen over the next year, especially if oil and gas prices remain low.

At times like these, utility stocks are sought after as safe havens. This is because even in the most uncertain of times, people and businesses still need to power their homes and offices, which leads to consistent cash flows for utility companies, and this allows them to continue paying dividends to their shareholders.

With all of this in mind, let's take a look at three utility stocks with yields up to 8.5% that you could add to your portfolio today.

1. Fortis Inc.

Fortis Inc. (TSX:FTS) is one of North America's largest electric and gas utilities companies, serving more than three million customers across Canada, the United States, and the Caribbean. Also, upon completion of its deal to acquire **ITC Holdings Corp.**, it will become the largest independent electric transmission company in the United States.

It currently pays a dividend of $0.375 per share quarterly, or $1.50 per share annually, which gives its stock a yield of about 4.1% at today's levels.

Investors must also make two important notes.

First, Fortis has raised its annual dividend payment for 43 consecutive years, and its 10.3% hike in September 2015 puts it on pace for 2016 to mark the 44th consecutive year with an increase.

Second, the company is targeting annual dividend-per-common-share growth of approximately 6% through 2020.

2. Algonquin Power & Utilities Corp.

Algonquin Power & Utilities Corp. (TSX:AQN) is one of the leading owners and operators of regulated and non-regulated utilities in North America, serving more than 560,000 customers across the United States and Canada. Also, upon completion of its deal to acquire **Empire District Electric Co.**, it will add approximately 218,000 more customers.

It currently pays a dividend of US$0.09625 per share quarterly, or US$0.385 per share annually, which gives its stock a yield of about 4.9% at today's levels.

It is also important for investors to make two notes.

First, Algonquin has raised its annual dividend payment for five consecutive years, and its 10% increase in May 2015 puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, it has stated that it has a long-term goal of increasing its dividend by 10% annually.

3. Capital Power Corporation

Capital Power Corporation (TSX:CPX) is one of the largest independent power producers in North America with 18 natural gas, wind, and solid fuel facilities across Canada and the United States.

It currently pays a dividend of $0.365 per share quarterly, or $1.46 per share annually, which gives its stock a yield of about 8.5% at today's levels.

Investors must also make two important notes.

First, Capital Power has raised its annual dividend payment for two consecutive years, and its 7.4% increase in July 2015 puts it on pace for 2016 to mark the third consecutive year with an increase.

Second, the company is targeting annual dividend-per-common-share growth of approximately 7% through 2018.

Which of these safe havens belongs in your portfolio?

Fortis, Algonquin Power, and Capital Power can add yield and reduce risk in your portfolio, so take a closer look and strongly consider initiating positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:CPX (Capital Power Corporation)
3. TSX:FTS (Fortis Inc.)

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jsolitro