

## Dividend Investors: 2 Stable Stocks to Top Up Your TFSA

### Description

There is no shortage of volatility in the markets these days, and investors with a bit of cash on the sidelines are wondering which dividend stocks offer solid returns without heavy risk.

Let's take a look at **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) and **Fortis Inc.** ([TSX:FTS](#)) to see why they are attractive picks right now.

#### Telus

Telus enjoys a cozy spot in an industry with limited competition and high barriers to entry. When you add in the low exposure to craziness in global markets, you get a pretty appealing stock.

Unlike its two largest competitors, Telus has avoided the temptation to dump billions into media assets. Instead, the company has focused its investment on providing industry-leading customer service and building state-of-the-art mobile and wireline networks.

The strategy appears to be working.

Telus is adding new internet, TV, and mobile subscribers at a healthy clip, and those clients are spending more each year. In fact, the blended average revenue per user has increased for 22 straight quarters on a year-over-year basis.

Telus also has a specialized division targeting the medical industry. The group, Telus Health, is already Canada's leading provider of digital solutions to doctors, hospitals, and insurance companies and strong growth is expected in the coming years.

The stock's dividend offers a yield of 4.4%, and investors should see annual distribution growth of at least 8% through 2020.

#### Fortis

Fortis is a natural gas distribution and electricity generation company with assets located in Canada, the United States, and the Caribbean.

Like Telus, the business is relatively protected from big events in global financial markets, and as long as people continue to turn on the lights, heat their homes, and cook their dinner, the revenue stream should be fine.

Fortis has focused much of its recent growth on the United States. Two years ago the company acquired Arizona-based UNS Energy for US\$4.5 billion and is now in the process of buying **ITC Holdings Corp.**, a transmission company, for US\$11.3 billion.

The UNS integration went well, and the additional revenue helped support a 10% dividend increase

last year.

Investors like Fortis because it gets most of its revenue from regulated assets. That means cash flow should be both predictable and reliable.

Fortis has raised its dividend every year for more than four decades, and investors should see distribution growth of at least 6% per year in the medium term.

The stock currently offers a yield of 3.4%.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:FTS (Fortis Inc.)
3. TSX:T (TELUS)

## Category

1. Dividend Stocks
2. Investing

## Tags

1. Editor's Choice

## Date

2025/08/22

## Date Created

2016/07/05

## Author

aswalker

default watermark

default watermark