3 Dividend Stocks That Provide Long-Term Stability for Your Portfolio

Description

Dividend stocks are a great option for investors to provide income to their portfolios, especially in a period of volatility for the S&P/TSX Index. With uncertainty over dropping oil, rising interest rates, and a frothy housing market experiencing a correction, it is a good time to revisit stocks that boast high dividend yields and are in stable industries.

Let's take a look at three Canadian companies that fit the bill.

Fortis Inc.

Fortis Inc. (TSX:FTS)(NYSE:FTS) is an international diversified electric utility holding company based in Newfoundland and Labrador. The share price has increased 10% in 2017. The company released its second-quarter earnings on July 28; it reported net income of $257 million, or $0.62 per common share. Year to date, net earnings were $551 million, or $1.34 per common share. Cash flow from operating activities grew 28% from 2016 to $1.2 billion for the first half of this year.

On August 1 **Teck Resources Ltd.** gave notice to Fortis that BC Hydro had exercised its right of first offer to acquire Teck's two-thirds interest in the Waneta Dam. Teck is now obligated to pay Fortis a break fee of approximately $28 million.

Fortis offers a dividend of $0.40 per share, representing a dividend yield of 3.49%.

Hydro One Ltd.

Hydro One Ltd. (TSX:H) stock has dropped 4% in 2017. Hydro One is an Ontario-based electricity transmission and distribution utility serving its home province. The company has been the subject of some controversy during the initial offering of public shares initiated by the provincial government. The company operates 97% of the high voltage transmission grid in Ontario and serves 1.3 million customers in the province.

On July 19, Hydro One announced a $4.4 billion acquisition of the Washington-based Avista Corp. The purchase allows Hydro One to branch out of Ontario for the first time and acquire a utility that provides electricity to 379,000 customers and gas to 342,000 clients across five U.S. states. The stock fell initially on the news as Hydro One financed the deal by selling approximately $1.4 billion worth of shares, but by the end of the trading day, it had entered positive territory.

Hydro One boasts a dividend of $0.22 per share with a 3.9% dividend yield.

Emera Inc.

Stock for **Emera Inc.** (TSX:EMA) has risen 3% in 2017. Emera is an energy and services company based in Halifax, Nova Scotia. Emera offers an impressive dividend yield of 4.45% at $0.52 per share. Emera finds itself currently embroiled in a bidding war to supply Massachusetts with electricity through a deep-sea cable. Hydro-Quebec has entered a competing bid, which drew the ire of Emera. The company retaliated by warning that Hydro-Quebec will not provide reliable service in the coming decades.

All three companies boast wide moats and will maintain sizable control in respective markets for the foreseeable future. Investors who are on the hunt for income in the midst of volatility can add these companies to their portfolios and feel secure in the knowledge that each possesses long-term stability.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:FTS (Fortis Inc.)
4. TSX:H (Hydro One Limited)

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