



A Top Dividend Stock to Own in an Uncertain Market

Description

The **S&P/TSX Composite Index** (TSX:^OSPTX) just dropped below 15,000 for the first time this year, and there is a risk the recent slide could have room to run.

Volatility is normal in the equity markets, and this year's pullback shouldn't be a surprise. When you look at the five-year chart of the S&P/TSX Composite Index, you see that it is still up an impressive 23%.

Investors with a buy-and-hold approach should welcome the dips, as they provide an opportunity to pick up some top-quality stocks at attractive prices.

At the same time, it is always a good idea to own names that tend to have lower volatility than the broader market.

Let's take a look at **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) to see why it might be an attractive option for your portfolio today.

Reliable assets

Fortis own natural gas distribution, electric transmission, and power-generation assets in Canada, the United States, and the Caribbean.

The company has grown over the years through strategic acquisitions and organic development projects with recent activity focused on the United States.

Fortis purchased Arizona-based UNS Energy in 2014 for US\$4.5 billion. The integration of UNS went well, and Fortis is reaping the benefits from the deal.

Last year, Fortis acquired Michigan-based ITC Holdings, which was the largest independent transmission company in the United States. The US\$11.3 billion deal initially had investors concerned that Fortis might be taking on more than it could handle, but the purchase went through as planned, and ITC is performing as expected.

Dividend growth

As a result of the added revenue and cash flow, management plans to raise the dividend by at least 6% per year through 2021.

Fortis has increased the payout every year for more than four decades, so investors should feel comfortable with the guidance. The current yield is 3.5%.

The company gets the majority of its revenue from regulated assets, so cash flow should be predictable and reliable. This is important for investors who want steady names in their portfolio during times of global uncertainty.

Insulated from global risk

Geopolitical situations around the world might trigger a flight out of higher-risk stocks, but Fortis is pretty much insulated from any of the chaos that occurs around the globe.

The company provides basic energy services that every business or household needs. When times get tough, people still have to turn on the lights, heat their homes, and cook their food.

If you want a buy-and-forget stock to put in your portfolio, Fortis deserves to be on your radar.

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