



Power Up Your Portfolio With These 5 Utility Stocks

Description

Investors looking for safe stocks can always find some stability with utility stocks. Not only do utility stocks normally pay decent dividends, but the businesses have a lot of recurring revenue and can provide a great deal of consistency from one year to the next.

Although the stocks are unlikely to see significant growth, investors are also not going to have to pay a big premium to own a part of these companies.

Below, I've outlined five utility stocks that are great long-term investments and that can provide you with stable dividend income while also offering good prospects for future growth.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is one of the most well-known utility companies on the TSX, and the stock currently pays a dividend of 3.6% after the company [recently hiked its payout](#).

Fortis has a reputation for growing its dividend, and if you hang on to the stock for the long term, then years down the road, you'll be earning much more on your investment than just the current yield.

Fortis is not just a dividend stock. The company has taken on acquisitions to grow its business, and year-to-date the share price has risen 13%, well above the TSX's returns of just 5%.

Hydro One Ltd. ([TSX:H](#)) is an intriguing buy, because it has been on the TSX for only two years after the Ontario government decided to take the company public. Since being listed, Hydro One has seen its share price rise less than 4%, and year to date, the stock is in the negative.

However, with the company's recent expansion into the U.S., it could see significant growth in the years to come, and that alone makes the stock a very attractive to buy — not to mention its dividend, which currently pays investors nearly 4% a year.

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) is not as big of a stock as Hydro One or Fortis, but the company could still have significant growth potential. In its most recent quarter, Algonquin saw its sales double, while profits were more than three times last year's net income.

With a dividend of over 4%, Algonquin also offers investors a very strong dividend that will provide its shareholders with a consistent source of cash flow every quarter.

Altagas Ltd. ([TSX:ALA](#)) pays the highest dividend on this list with a yield of 7.5%, which is paid in monthly installments. A big reason for that high payout is that the company has seen its stock drop 14% in 2017, resulting in its dividend payment making up a larger portion of its share price.

The stock was trading at over \$50 back in 2014 before the price of oil collapsed. However, with the commodity back on its way up, Altagas could have a lot of upside next year.

Emera Inc. ([TSX:EMA](#)) provides your portfolio with yet another high-yielding utility stock, with payouts of 4.7%. Although it may not offer the highest dividend or be the most well-known company on this list, Emera's focus on clean and renewable energy will create [many opportunities](#) for the company.

We are seeing consumers being more concerned about the environment and demanding cleaner sources of energy, and Emera is well positioned to take advantage of this growing trend.

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:EMA (Emera Incorporated)
6. TSX:FTS (Fortis Inc.)
7. TSX:H (Hydro One Limited)

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