



Fortis Inc. (TSX:FTS) Is the Best Stock to Own in a Bear Market!

Description

Good riddance 2018!

It was a year of stomach-churning volatility, and while our portfolios are down, they're definitely not out, especially for those of us who've hunkered down in quality dividend-paying stocks.

With some pundits are calling for more downside in 2019 after the S&P 500 officially fell into bear market territory on Christmas Eve, it's only prudent for long-term investors to look to dividend stocks for safety as they take a raincheck on non-dividend-paying high-flyers that may ultimately leave us nothing to show after the current market draws to a close.

We're at the most exciting part of the stock market rollercoaster ride right now, steep drops followed by big jumps. And if you've already bought your ticket (you already own stocks), then it's in your best interest to stay on the ride unless you want to risk sustaining an injury (turning a paper loss into an actual loss). So, hang on for the ride and get ready for more stomach-churning volatility as the amplified levels of volatility become the new norm.

The drastic market moves are going pretty much the only certainty as we head into the new year, and while you could be waiting many months (or years) for your holdings to get back to pre-2018 levels, you'll at least receive a nice dividend as you stand in the hailstorm, assuming you're invested in quality dividend-paying names.

When all is said and done, Mr. Market may end up scraping back what remains of your gains. The dividends, though, are yours for keeping, regardless of what happens, so if you're a long-term investor who's looking to get something from a seemingly bad situation, there's no better option than quality dividend payers like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Now, I know what you're thinking.

Fortis is a [boring utility stock](#) that couldn't possibly make you wealthy. The dividend yield isn't even impressive compared to the likes of the more battered stalwarts out there that possess greater yields after the recent market-wide sell-off.

Although Fortis is a go-to stock for conservative retirees, investors of all ages shouldn't overlook the well-run utility that is [the ultimate holding](#) when the markets head south. With regulated power generation, electric transmission, and energy distribution businesses across North America and the Caribbean, Fortis is the epitome of stability and a worry-free investment that'll help keep your portfolio's head above water should the current market meltdown become much worse.

Due to the highly regulated nature of Fortis's businesses, the company has one of the most predictable operating cash flow streams out there. And although this high degree of predictability leaves little room for upside surprises, investors can sleep comfortably at night knowing that many macro fears spewed by the talking heads on TV won't apply to Fortis.

Fortis is an incredibly well-run, highly regulated business that makes the stock's dividend (and its 6% in expected annual hikes) the closest thing to a guarantee.

While Fortis stock isn't considered a "risk-free asset," it's likely the closest thing to one that you're going to find in the universe of "risky assets." And unlike traditional "risk-free" debt securities, you're getting a heck of a lot more upside, especially if you're in it for the long haul.

Fortis blows bonds out of the water. So, if you're an investor who's looking hunker down, Fortis belongs in the core of your TFSA. Collect the dividend, which currently yields 3.9%, and enjoy the stock, which makes your portfolio less sensitive to the volatile moves in the broader market.

Stay hungry. Stay Foolish.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks

- 2. Investing
- 3. Stocks for Beginners

Date

2025/07/04

Date Created

2018/12/28

Author

joefrenette

default watermark

default watermark