

## 2 Dividend Stocks I'd Buy Right Now

### Description

If your portfolio took a beating last year, you are not alone. Much of the stock market was down in 2018, particularly during the second half of the year. While the TSX is projected to perform better this year, the recent turmoil it underwent was a reminder of the importance of good dividend-paying stocks.

Dividend stocks are an anchor on which investors can rely. The income they provide even when the market is volatile helps smooth out losses. Let's look at two dividend stocks you could add to your portfolio this year: **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **Canadian Tire** ([TSX:CTC.A](#)).

### Fortis

The importance of providers of utilities such as electricity and natural gas can hardly be overstated. Consumers can live without luxury goods for a while. Utilities are necessity goods, though, and the demand for such goods will remain constant, barring a catastrophic turn of events. Given this factor, it is no surprise that income investors naturally [turn to the utility sector](#). Fortis is among the best Canadian utility dividend stocks you can purchase.

Fortis is a highly diversified firm. The company owns electricity infrastructure and natural gas pipeline across much of Canada and the U.S. Fortis's properties extends to such regions of North America as Alberta, Ontario, British Columbia, Ohio, Michigan, New York, etc. The company's operations extend to several places in the Caribbean.

Fortis's reach across different industries within the utility sector and different geographical regions is a strength. The company has more opportunities for growth. Last October, Fortis announced a \$17.3 billion capital-investment plan for the years 2019 through 2023. Much of this spending will go to modernizing the company's operations to deliver cleaner energy.

Fortis has now increased its annual common share dividend payments for 45 straight years, making the firm a unicorn among publicly traded companies. Over the past 10 years alone, Fortis's dividends have improved by 80%, while the company's cash flows provided by operations grew by 180% from 2014 to 2017 and will likely show more improvement once the 2018 financial results are reported. Few companies boast the dividend history and growth prospects Fortis offers.

### Canadian Tire

The most misleading thing about CTC is perhaps the company's name. CTC does far more than manufacture and sell tires and automotive products. The company's products include sporting goods, tools and hardware, outdoor products, etc. Indeed, CTC even owns a financial services branch which issues credit cards and loans.

Last year, CTC announced the introduction of a new membership program called Triangle Rewards.

This program allows members to earn Canadian Tire credits while shopping online or at CTC stores (or at participating affiliated stores). The Triangle Rewards Program replaced CTC's successful Canadian Tire Money. CTC also launched its much-anticipated home delivery services recently. The company is constantly looking for ways to grow.

CTC's most recent ventures have had a positive impact on the company's earnings. In CTC's most recent quarter — Q3 2018 — the company posted strong financial results. CTC's revenue increased by 11.2%, net income increased by 15.3%, and diluted earnings per share grew by 21.7%. The company's dividend per share increased by 38% since 2017, and with a current payout ratio of 31.22%, the company can keep increasing its dividends.

As a bonus, CTC announced a new share-repurchase program last year. The company will return capital to shareholders through the repurchase of \$300-400 million of shares by the end of 2019.

## The bottom line

There is no telling how the market will behave in the future. Owning shares of good dividend-paying stocks like Fortis and Canadian Tire can help you be ready for whatever the market throws your way.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

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1. NYSE:FTS (Fortis Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:FTS (Fortis Inc.)

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