TFSA Investors: 2 Reliable Dividend Stocks to Buy Right Now

Description

The 2019 stock market rally appears ready to take a break, which has investors with some cash to put to work wondering where they should allocate their funds today.

Let's take a look at three steady dividend stocks that should be solid picks for your portfolio in the current environment.

Fortis (TSX:FTS)(NYSE:FTS)

Fortis owns natural gas distribution, power generation, and electric transmission assets in the United States, Canada, and the Caribbean. Much of the company's growth in recent years has come through strategic U.S. acquisitions, including the US$4.5 billion purchase of Arizona-based UNS energy and the US$11.3 billion takeover of Michigan-based ITC holdings. The market initially wondered if Fortis had bitten off more than it can chew, but the integration has gone smoothly and the companies are performing as expected.

Fortis is currently focused on a capital program that will see the company spend more than $17 billion over five years on organic projects. Management says the result should be a significant increase in the rate base to drive ongoing cash flow growth and support average annual dividend hikes of 6% through 2023.

The payout has increased for 45 straight years and currently provides a yield of 3.6%.

This stock has a low beta, meaning that it tends to hold up well when the broader market hits a period of volatility. In addition, interest rate increases in the United States and Canada are now on hold, which is driving renewed appetite for utilities and other traditional go-to dividend stocks.

Telus (TSX:T)(NYSE:TU)

Telus is a major player in the Canadian communications market, providing mobile, Internet, and TV services to individuals and businesses across its world-class wireless and wireline network infrastructure.

The company works hard at ensuring it has happy customers and the efforts appear to be paying off as Telus regularly reports the industry's lowest postpaid mobile churn rates. Acquiring new customers is expensive, so the more clients the company can keep in the system, the better.

Telus has avoided spending billions of dollars to build a media division, and some pundits wonder if this puts it at a disadvantage compared to its peers. Only time will tell, but the company appears to be doing fine without a media presence. In fact, Telus is channeling funds to build out its Telus Health group, which could turn out to be a much more lucrative business in the coming years.

Telus has a strong track record of raising its dividend and rising free cash flow suggests the trend will continue. Investors who buy the stock today can pick up a yield of 4.4%.

The bottom line

Fortis and Telus are solid companies with reliable dividends that should continue to grow at a steady rate. The businesses are recession-resistant and market turmoil caused by global financial or geopolitical upheaval should have a limited impact on their respective operations.

If you're searching for two stocks to simply buy and forget for the next 20 years, Fortis and Telus deserve to be on your radar today.

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