Retirees: 1 Stock Is All You Need for Protection in a Down Market

Description

How worrisome is a down market to retirees with stock holdings? I suppose the fear is indescribable. Your main concern is always the depletion of your financial resources during retirement. If your stocks tanks, your well of sustenance might dry up. Your chosen stocks should protect you against this scenario.

default watermark

Some sectors are known to be recession-proof; one of which is the utility sector. But if you are choosing to invest in the industry, pick the company that is the most economically resistant to the effects of a declining market.

It might be monotonous to hear this name over and over every time there is a threat of recession. However, **Fortis** (TSX:FTS)(NYSE:FTS) is *the* utility stock, if not the only stock you need to protect you from a down market.

Strong and steadfast

Investors with short-term financial goals are not fond of utility stocks. They find the stocks to be less volatile, which doesn't allow for earning quick bucks. Retirees, however, need safe bets during a down market. Fortis is a low-risk investment offering overall safety of the investment.

The word *fortis* in Latin means strong and steadfast. As an electric and gas company with regulated utilities across Canada, the company lives up to its name. This $23.93 billion company is a retiree's dream investment. Fortis carries a 45-year streak of dividend increases, which is very reassuring.

The sustainability of dividends is sacred to retirees. You wouldn't mind owning a dull stock that is predictable in paying dividends. It also allows your investment to grow over time. Those are the compelling reasons to park your money in Fortis.

The Fortis growth model

Fortis was born in 1987 following the 1966 merger of St. John’s Electric Company with the Newfoundland Light and Power Company Ltd., Union Electric, and United Towns Electric. Since then, the resulting company went on to make several acquisitions.

Using the federation-style approach, Fortis was able to add subsidiaries to its expanding network. In the Fortis model, the subsidiaries operate autonomously. Soon after, the company was delivering consistent earnings growth. The model is the primary reason for the 45-year streak of dividend increases.

While companies in other sectors were wallowing in negative territory and sometimes falling by double digits, Fortis continues to float and remain relatively stable.

Because of its strategic acquisitions that are all contributing to the growth strategy, Fortis has become a solid and formidable electric and gas utility company. At the time of its formation in 1987, assets were barely $390 million. Today, 32 years later, its asset base is more than $50 billion.

Powering ahead

Fortis is a class of its own. You would be investing in 10 utility operations of one strong company. The company derives 100% of income from regulated and long-term contracted operations that have inflationary provisions to shield it from commodity price fluctuations.

default watermark

With a safe and sound 3.47% dividend, you will be powering up your retirement savings during a down market. Meanwhile, Fortis will continue to power ahead to deliver the electricity and gas needs of Canada, the U.S., and the Caribbean. Everyone is happy with the dependable stock, and so should you be.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks

2. Investing

Date
2025/08/20
Date Created
2019/10/21
Author
cliew

default watermark

default watermark