



One Top Income Stock to Buy for Safety as Uncertainty Escalates

Description

The week started out so well. Over in the E.U., stocks were galloping toward four-year highs. There was new bullishness toward a deal between the U.S. and China – a now-common occurrence in the markets, which seem to have developed short-term memory loss from the stress of the endless trade war.

Then the U.S. dropped a bombshell. Accusing Brazil and Argentina of devaluing their currencies, the U.S. threatened to bring back tariffs on steel and aluminum. The retaliatory move soured the bullish mood that had begun to return to the markets, further compounding an already fraught international trade scene with the prospect of widening tensions.

Investors should plan for a market correction

The Fed has already lowered the interest rate three times in a year weighed down by slowing growth in some of the world's heftiest economies. If they are lowered again, the prospect of negative rates could arise. Indeed, should a market correction rear its ugly head in 2020, it's almost certain that this could occur.

Investors are no doubt wondering what another front in the trade war will do to the global economy, with pundits talking negative interest rates. The Fed could indeed dip into the minus figures during the next recession, forced into the negative zone by the need to stimulate the economy. The main issue here is that the tax code would have to be rewritten to avoid punishing savers, such as retirement investors.

A solid addition to an RRSP

When it comes to getting conservative with your investments, there are few stocks of the same calibre as **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). With a number of regulated electricity assets that span the length and breadth of the U.S., Fortis is an interesting play that uses the large size and power demand of our southern neighbour to its defensive advantage.

In the teeth of a recession, few asset types match utilities for durability and strength. Fortis is in line with its peers, making for a satisfying play on fundamentals. Having grown its dividend over the last four and a half decades, Fortis clocks in with some serious mileage when it comes to wealth creation. This is likely to extend well into the future, too, making the stock ideal for retirement planning.

Coal is going the way of the dodo, and Fortis is leading the charge by scaling back on its coal-fired output. It is replacing that power generation with renewable sources, making Fortis a moderate play on the green economy – a [global trend that could have huge upside](#) over the coming years. While other businesses bring more exposure to green energy, Fortis delivers stronger dividend growth.

The bottom line

Investors should be stripping out risk from their dividend portfolios and packing in solid, reliable, classically defensive assets. Fortis is a strong choice for investors seeking to [minimize risk in their portfolios](#), and with its long track record of dividend hikes, it's a good way to add peace of mind to a retirement savings plan.

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