3 Stress-Free Stocks to Buy and Hold This Holiday Season

Description

The holiday season is not the time to be stressing over investments. With time off comes an opportunity to relax and spend time with family. Yet if you own highly volatile stocks, you can end up wasting your free time stressing about your portfolio.

Fortunately, that doesn't need to be the case.

The TSX abounds with safe, reliable, low-beta stocks that let you relax while the dividends accumulate. While such "stress-free" picks don't typically have the frothiest gains, they can deliver average returns without the need for active trading. The following are three that would make excellent buys over the holiday season.

BCE

BCE is one of Canada's largest telecom companies. In addition to providing cell, internet, and TV service, it also owns the CTV Television Network.

In its most recent quarter, BCE added 294,000 total customers — an increase of 8.4%. The company's growth in wireless customers was particularly strong, with a 15% year-over-year increase. Thanks to its strong subscriber growth, BCE managed to grow its profit in the quarter, with net income up 6.7% and operating cash flow up 10.5% year over year.

At current prices, BCE stock yields about 5%, which is one of the higher yields among TSX large caps. Often, such high yields are found in companies whose stock prices are collapsing or whose payout ratios are too high. However, BCE's stock price hasn't done too bad, and its payout ratio is sustainable, so the 5% yield appears safe.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is Canada's largest publicly traded utility company. With 3.3 million customers across Canada, the U.S., and the Caribbean, it's a giant in its industry.

Over the decades, Fortis has proven itself to be one of the most reliable stocks on the TSX. The company has increased its dividend every single year for 46 consecutive years, despite there having been several recessions in that period.

As a utility, Fortis tends to do unusually well in recessions. In 2008 and 2009, the company actually grew its earnings, while most companies were seeing theirs nosedive. It's all thanks to the indispensable nature of utility services, which consumers would not cut out of their budgets, even when facing prolonged unemployment.

Fortis stock pays a dividend that yields 3.5% at current prices. Management is aiming to increase the payout by 6% a year over the next five years.

Algonquin Power & Utilities

Algonquin Power & Utilities is another Canadian utility company. Like Fortis, it enjoys a recession-ready revenue stream owing to the indispensable nature of its service. However, Algonquin has delivered even better returns over the years. As a smaller company, it has more room to grow, and grow it has, increasing its full-year earnings from $84 million to $184 million in just four short years.

One thing that's worth noting about Algonquin is that it has significant investments in renewable energy, including wind, solar, and hydro. Delivering power through its Liberty Power subsidiary, these energy sources give Algonquin advance preparation for future climate change regulations.

A final thing to note: AQN is a dividend stock with a 4% yield and a long track record of dividend increases. Overall, it's a very solid income play.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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

Tags

1. Editor's Choice

Date
2025/09/18
Date Created
2019/12/24
Author
andrewbutton