



## Why the Fortis Stock Price Beat the TSX by 100% in March

### Description

The **Fortis** stock price provided investors with a return of 0% in the month of March. Now before you question why I would even bother writing about it, let's consider the performance of the **TSX Index** in March. It was down 17.7%. That's huge. So while Fortis stock price was pretty much flat in March, it outperformed the TSX by 100%. Plus shareholders got the annual dividend yield of 3.49%.

In March, all eyes were on developments related to the coronavirus. Societies were and still are attempting to lessen the human toll of this virus. They are doing this by taking measures that were unimaginable only a few months ago. As the realities of social distancing and isolation became increasingly clear, the economic fallout is also becoming clear.

Hence, the TSX fell sharply, just as all global markets did. In this environment, it is no surprise that utilities giant Fortis beat the market so significantly.

### Fortis stock price beat the TSX because it is an essential business

Fortis is an investment-grade company with \$52 billion in assets serving customers in Canada, the U.S., and the Caribbean. It is a North American leader in the regulated gas and electric utility industry. This is the company that keeps us connected to the world around us. These days, the importance of this cannot be overstated. Fortis powers our laptops and televisions, and keeps us less isolated and more productive. It keeps some aspects of the economy going. It keeps the lights on in dark times.

### Fortis stock price beat the TSX because of its safe, defensive business

As a utility, 99% of Fortis' earnings comes from [regulated and/or long-term contracted utility infrastructure](#). We can therefore easily see how, in this environment, Fortis stock price will outperform. It is also easy to see why this stock is a stable, defensive one with a strong history of predictable

earnings and dividend growth.

Similarly, Fortis has maintained a strong and healthy balance sheet. The company is dedicated to maintaining a strong balance sheet, and we can expect to see further improvements in the coming five years, driven by continued strong cash flow generation and a strong funding outlook.

Some things have changed. Fortis is treating this crisis the same way it treats a crisis brought on by a storm or other major event. With its business continuity plans in place, the company ensures that it will maintain operations for electric and natural gas service. Fortis has deferred electricity bill payments in some areas, some employees are working from home, and precautions are being taken.

One thing that has not changed is the fact that Fortis is [a defensive business. And in today's environment, defensive wins the day.](#)

## Foolish final thoughts

The Fortis stock price has been a clear outperformer not only in March but year-to-date as well. The TSX Index has declined 20.2% year-to-date, but Fortis stock price has rallied 1.7%. That's an outperformance of 108%. Add to that Fortis' dividend yield of 3.49% and we have the complete picture of how valuable this stock is.

With Fortis, investors have been able to count on long-term, profitable growth for many decades. This has been Fortis' specialty, and with all signs pointing to continued success, this stock is a great addition today. Fortis remains a safe investment as it is open for business, which is something we have learned to not take for granted these days.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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