



## Market Crash 2020: 1 Awesome Stock That Will Survive

### Description

The market is full of uncertainties as the COVID-19 pandemic continues its rampage. With the [heightened market volatility](#), are utility stocks, particularly **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), still sound investments?

Thus far, the stock has lost 4.42% year to date. The loss, however, is not as severe as other stocks in sectors outside of utilities. It appears that investors are piling cash into the most reliable sector during market crashes.

### The pressure is on

The utility sector is in the limelight as investors seek safety in less volatile investments. As a utility operator, the pressure on Fortis is to stay in business during these uncertain times.

Fortis is well aware of its importance as it is responsible for the generation, transmission, and distribution of electricity. An estimated 2,516,000 customers depend on Fortis for electricity and gas. The coverage extends from Canada to the United States and the Caribbean countries.

Similarly, utility companies need to keep abreast of updates and new developments from the World Health Organization (WHO) regarding how the coronavirus is spreading.

### Pandemic preparedness

With a full-blown economic and public health crisis, consumers will be struggling to pay utility bills. In Canada, Fortis and nearly all utility companies in all provinces are offering relief to end users in the course of the pandemic.

Fortis is waiving late payment fees and ensuring that there will be no disconnection of services due to non-payment. Large commercial and industrial customers can discuss payment arrangements with their key account managers at Fortis.

Unlike water and irrigation systems, electricity and natural gas operations are not susceptible to the harmful effects of the coronavirus. However, Fortis is monitoring its network and systems 24/7. In the event of widespread illness, there is a comprehensive emergency response and pandemic plan in place.

## Impact on cash flow

Fortis is ready to extend help and relieve customers of financial hardships during the pandemic. But the payment extensions are a big sacrifice, as it will have an impact on the company's cash flows.

This company is the top tier utility company in Canada. As the business is highly regulated, the government is somehow financing the operations of its gas-fired and hydro-electric plants and electricity distribution system. Cash flow is stable, as there's an established base rate for the electricity it delivers.

At present, Fortis is trading at \$51.08 per share, while the dividend yield stands at 3.74%. In 2019, the stock was able to turn in a total return of 23%. The company's top line and bottom lines saw increases of 4.68% and 47.68%, respectively, versus 2018. Fortis should be expecting a 5.03% annual growth rate in the next five years.

## True resiliency

Fortis is [an impregnable investment choice](#) if you want the best of best today and in the foreseeable future. This utility stock is a staple and core holding in most portfolios of income investors.

The market will not stabilize for as long as COVID-19 is around. However, no matter how rough the sea is, Fortis will sail in the high winds. The company's true resiliency appears in times of a great recession.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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