TSX Stocks: Where to Invest $5,000 Right Now

Description

Will your portfolio be safe if the market crashes next week? That's an ominous thought most investors would not like. But current market uncertainties indeed paint a bleak picture for the future. Investors can consider increasing defensive stocks in their portfolios.

Here are my TSX stocks that pay consistent dividends and will likely remain relatively stable in a market downturn.

TSX stocks: Canadian Pacific Railway

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is one of the biggest rail freight operators in the country. Its unmatchable network and large scale are some of its strengths.

During the market crash in March, CP stock was weak as the global supply chain came to a halt. However, the stock has surged more than 15% since those lows. The stock could continue to trade strong, as major economies re-open after weeks of lockdowns.

The COVID-19 pandemic did not have a significant dent on Canadian Pacific's financials during the first quarter. Its earnings largely stood strong as freight railways were operative during the quarter. Its first-quarter revenues increased by 16%, and adjusted net income grew 55% compared to the same quarter last year.

The company expects a flattish earnings growth this year due to the pandemic-driven demand decline. This will likely keep its dividends intact for the current year. Though CP stock yields lower, its dividend growth has been close to 18% in the last five years.

Investors should consider companies like CP that have a stable earnings profile and have a minimal impact of the broad market weakness.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is one of the country's biggest regulated utilities.

Fortis serves more than three million customers across its electric and gas segments. Regulated operations generally offer cash flow stability, which facilitates stable dividends. That's why the utility has not just paid but increased dividends for the last 46 straight years.

Even if the economic growth tumbles in the near future, utility companies like Fortis will remain relatively stable. Its earnings are not susceptible to economic cycles, which can be of great advantage to investors.

It is one of the stable stocks to invest in the current market uncertainty. Fortis stock currently yields 3.7%. In the last five years, its dividends increased by more than 7% compounded annually. It aims for dividend growth of 6% per year for the next five years.

Fortis offers stability and visibility, which will be of immense importance if the market takes an ugly turn going forward.

Rogers Communication

Communication and media company **Rogers Communication** (TSX:RCI.B)(NYSE:RCI) is another safe play that looks attractive at the moment. It is the biggest telecom company in Canada by the number of subscribers. Its revenues and earnings have consistently increased in the last three years.

Rogers is well ahead of peers in rolling out 5G services in Canada. It is also the fastest-growing telecom company among peers.

It offers a dividend yield of 3.6%. Rogers managed to raise its dividends by almost 2% compounded annually in the last five years.

Rogers stock has soared almost 20% since its 52-week lows in March. However, there is more room for growth implied by its discounted valuation. It is also relatively cheaper compared to peer stocks such as **BCE** and **Telus**.

Rogers stock is an attractive pick for long-term investors due to its stable dividends and strong growth potential.

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