

Fearing Another Market Crash? Squeeze Safe Yields From These TSX Stocks

Description

The equity market isn't showing any clear trend. Whether the markets will crash again or not is hard to tell. However, weak economic data indicates that investors have all the reasons to be cautious. With too much uncertainty, investors should look beyond high returns and bet on stocks that could generate steady income irrespective of the economic situation.

I would suggest investors be defensive and squeeze safe yields from these three **TSX** stocks.

Fortis

When it comes to safe yields, trust **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Fortis stock currently offers a forward dividend yield of over 3.6%, which is pretty safe. The company runs a diversified, rate-regulated, and low-risk business that remains insulated to economic uncertainties and ensures steady dividend growth.

For investors who don't know, Fortis generates about 99% of its earnings from regulated utility assets and has increased its dividends for the 46 years in a row. The COVID-19 outbreak didn't impact its business, and Fortis continues to move ahead with its capital expenditure plan for 2020.

Investors should note that about 82% of its revenues are protected by regulatory mechanisms or through residential sales. Moreover, Fortis expects its rate base to increase by over \$10 billion to reach \$38.4 billion by 2024, implying a compound average annual growth rate of 6.5%.

Fortis' safe and predictable cash flows and consistent rate base growth indicate that its yields are not only safe, but will also continue to increase in the coming years.

Despite the uncertainty surrounding the economy, Fortis stood by its earlier guidance and [expects its dividends](#) to increase by 6% annually through 2024, which is encouraging.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock currently offers a safe dividend yield of 4.5%. The company's diversified, low-risk, and high-growth business ensures strong cash flow generation and supports its payouts.

Brookfield Renewable Partners' dividends have grown at 6% annually over the past 20 consecutive years. Meanwhile, its [future payouts are safe](#) and could continue to increase by 5%-9% annually.

Long-term power purchase agreements back Brookfield Renewable Partners' revenues. Besides, almost all of its power production is contracted, eliminating the risk of economic slowdown and lower demand.

Brookfield Renewable Partners continues to invest in high-growth opportunities through its capital recycling strategy. Meanwhile, it is expanding its production capacity that bodes well for future growth.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is another stock that offers a safe and high yield. The utility company offers a forward yield of 5.4% backed by predictable cash flows. For starters, Canadian Utilities is one of the best stocks for investors seeking safe income.

The company has consecutively raised its dividends for 48 years, which is higher than any other company listed on the Canadian stock exchange.

The company's rate-regulated utility business accounts for about 95% of its earnings. Meanwhile, the rest 5% comes from contracted assets, which are reasonably safe. Canadian Utilities continued investment in regulated and contracted assets, and cost efficiencies should support its earnings and cash flows.

Its rate base is projected to increase by 3% annually over the next three years, which should continue to support its sustainable earnings and drive its future dividends.

CATEGORY

1. Coronavirus
2. Dividend Stocks

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:FTS (Fortis Inc.)

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