



Why You Should Bet on These TSX Stocks for the Rest of 2020

Description

With high volatility in the stock market, investors should bet on stocks that can help them earn steady dividend income for the rest of 2020. Investing in these **TSX** stocks could not only fetch stable income, but will also protect your portfolio amid an economic slowdown.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns diversified utility assets, which makes it immune to economic situations. The company operates through two business groups, including regulated utility and renewable energy businesses.

Algonquin Power & Utilities rate-regulated utility business provides stability and helps the company generate predictable cash flows. Meanwhile, its renewable energy business is supported by power-purchase agreements.

The nature of both these businesses is such that Algonquin Power & Utilities continues to deliver reliable earnings, cash flow, and dividend growth.

The company's key financial performance metrics remain solid, with consistent growth in adjusted EBITDA, net earnings, and funds from operations. In the [most recent quarter](#), the company's adjusted EBITDA marked a 5% growth.

Its adjusted earnings and adjusted funds from operations increased by 10% and 3%, respectively. The consistent growth in its key financial metrics has enabled the company to increase its dividends by a double-digit rate over the last 10 consecutive years. Algonquin Power & Utilities offers a forward yield of 4.8%.

The company's stable business and attractive dividend yield make it a perfect investment option amid volatility.

Fortis

When it comes to rock-solid dividends, nothing beats **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Fortis stock currently offers a forward yield of 3.7%, which is secure and is very safe. The company has raised its dividends for 46 consecutive years, thanks to its highly regulated business that generates predictable cash flows.

For those who don't know, Fortis generates almost all of its earnings from the rate-regulated utility business. The resilient business and sustained growth in its rate base help the company to boost shareholders' returns through higher dividends.

Fortis is projecting its dividends to increase by 6% annually till 2024. Meanwhile, its rate base is likely to grow to \$38.4 billion by 2024.

The reliable financial performance of the company coupled with its long dividend history makes Fortis the top **TSX** stock for income-seeking investors.

Brookfield Renewable Partners

As volatility remains high, Canadian investors should put some of their money in renewable energy stocks. Speaking of renewable energy, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) remains my top pick. The company owns a diversified portfolio of renewable assets that generate high-growth and deliver consistent cash flow.

Brookfield Renewable Partners currently offers a dividend yield of 4.6%. Besides, it remains on track to increase its dividends by 5%-9% annually in the coming years. About 95% of its power production is contracted for 2020, implying that the economic slowdown or lower demand will not have an impact on it. As well, its revenues are protected through long-term power-purchase agreements with inflation indexation.

Brookfield Renewable Partners' strong underlying business, ability to invest in high-growth opportunities, and uninterrupted dividends [make it an all-weather TSX stock](#).

Bottom line

Despite the heightened market volatility and disruptions from the COVID-19, these three TSX stocks remain well positioned to withstand the short-term economic challenges.

Finally, the stocks' ability to generate stable cash flows should help when it comes to delivering steady income for the foreseeable future.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)

2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
6. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks

Date

2025/08/26

Date Created

2020/06/23

Author

snahata

default watermark

default watermark