



Have \$3,000? Buy These Top Dividend Stocks and Let the Cash Roll In!

Description

As the **S&P/TSX Index** once again sees a major uptick in volatility, perhaps now is the time to shore up your portfolio in some income stocks. The fact is, dividend stocks that produce safe, consistent income are a great way to hedge your investment returns against market volatility. Today, I am focusing on income stocks that have long-term secular growth trends. Renewables and utilities are one sector that meet both my income and growth criteria.

Do you have \$3,000 today, but you don't know where to invest? Then maybe think about adding these top utilities to your portfolio for some consistency, [growth](#), and income.

This dividend stock could double your money

While this first income stock is the riskiest of the three, it also has the largest upside potential. The stock is **Polaris Infrastructure** ([TSX:PIF](#)). It is a developer and operator of geothermal and hydro renewable power in Nicaragua and Peru.

Right now, it produces 103 MW of power. Although South America is perceived as a “riskier” jurisdiction to invest and operate, demand for power there is growing at a substantial rate (3-6% annually). Polaris is helping meet this demand by expanding its power operations in technology class and geography.

In fact, it just [announced](#) an agreement to acquire a 10 MW hydro development project in Panama. Management anticipates to add another 30-40 MW of projects in the next 12 months.

Polaris is intriguing because it is cheap, trading at an EV/EBITDA ratio of only 8.25 times versus its larger peers at an average of 13.4 times. This discount should contract, as Polaris continues to diversify and expands its operations.

Presently, it pays a well-covered 5.5% dividend. Despite being a smaller player, Polaris has a major opportunity to grow. I think it could easily double investors' money in just a few years' time.

This income stock has a major growth pipeline

Another dividend stock that has great growth opportunity is **Boralex** ([TSX:BLX](#)). It is a pure-play renewable power stock with 2,040 MW of operations that are 88% wind, 9% hydro, and 3% thermal and solar. Its operations are primarily split between France and Canada.

I like this stock because of its significant exposure to France. European countries like France are rapidly trying to multiply their renewable power capacity over the next 10 years.

Being an established player gives Boralex the acumen and rapport to continue winning contracts there. It already has a strong 760 MW development pipeline, which should accrete significant cash flow growth over the next three to five years.

While it only pays a small 2.27% dividend, Boralex has grown the dividend by 5% a year, since 2015. If you believe the world will continue to demand more renewable power, then this is a great stock to own. Boralex is pricier than Polaris, but it has a very high-quality portfolio with a clear sight-line for long-term growth.

Own long-term safety with this stock

The last dividend stock to invest into is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Of these three income stocks, it is by far the safest bet. Fortis has 10 different operations across North America with a focus on regulated natural gas, electricity, and transmission utilities. Its assets are 99% regulated.

Fortis is ploughing \$18.8 billion into a five-year capital plan that is expected to expand its rate base by a CAGR of 6.5% for the next five years. Since the first quarter, it has already deployed \$1.2 billion toward this plan.

Right now, this income stock pays a 3.7%; however, management believes the dividend should grow by at least 6% for the next five years.

Fortis is a stock you tuck away, forget about, and collect the dividends. You will probably look back and see that the stock is substantially higher and your overall cash pile is significantly greater than when you started.

CATEGORY

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TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:BLX (Boralex Inc.)
3. TSX:FTS (Fortis Inc.)

4. TSX:PIF (Polaris Renewable Energy)

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