Wherever the Market Goes, Sit Tight With These 3 TSX Stocks

Description

When it comes to long-term investing, stability will be my top priority. It's not prudent to assume excessive risk to achieve exorbitant returns by jeopardizing the principal. Let's talk about three such **TSX** stocks that can give decent consistent returns over a longer period, irrespective of the market direction.

TSX utility stock with a growth tilt

None of the Canadian utility stocks have been as consistent as **Algonquin Power** (TSX:AQN)(NYSE:AQN). The stock price has soared more than 350% in the last 10 years. And when you include dividends in it, the total returns surge almost to 650%.

This is the power of dividends and utility stocks. Though they seem unattractive because of their boring business model and slow stock price movements, utility stocks play a big role when it comes to long-term wealth creation.

Interestingly, Algonquin Power stock has thrashed peer utility stocks **Fortis** and **Canadian Utilities**.

Algonquin Power is an $11 billion utility and renewables company in North America. Its rate-regulated operations enable predictable and stable earnings, irrespective of the economic conditions.

Algonquin operates 1.5 gigawatts of renewables generation capacity, and 85% of its output is sold under long-term contracts.

Its above-average earnings growth has fueled its stock price in all these years. Algonquin yields 4.6% at the moment, one of the highest among peers. It managed to grow dividends by 10% compounded annually in the last 10 years.

Its current valuation, stable earnings, and handsome dividends make it stand tall in the current situation.

Telecom stocks offer stability

Telecom is another industry that is relatively stable in economic downturns. While energy and retail were the hardest hit amid the pandemic, the impact was comparatively lower on telecom stocks, and they also were faster to recover.

Investors can consider top telecom stock **Rogers Communications** (TSX:RCI.B)(NYSE:RCI) for their long-term investments. The $30 billion company has one of the largest subscriber bases and extensive media operations.

In the second quarter of 2020, Rogers's earnings halved due to lower roaming revenues and retail store closures. However, it is leading the vital 5G race in the country, which could open up several growth opportunities for it in the next few years.

Rogers is currently trading at a dividend yield of 3.6%. It is still trading 15% lower than its pre-pandemic levels and looks fairly valued. As economies gradually re-open, improving business activities will likely bring back the financial growth for Rogers.

Time to consider safe energy stocks

Some of the top TSX names remained in the backseat during the epic stock market recovery. **Enbridge** (TSX:ENB)(NYSE:ENB) is one of them.

Not all energy stocks are equally risky and, thus, some of them deserve more attention. Enbridge is an energy midstream company and stays strong during crude oil price downturns.

Its earnings in the first half of 2020 underlined the same. Its long-term, fixed-fee contracts generate stable cash flows, which minimizes the impact of volatile oil prices.

Enbridge management has given a fairly positive outlook for the full year, while oil-producing companies are reeling under pressure. Enbridge yields more than 7% at the moment, notably higher than TSX stocks at large.

Despite better-than-expected earnings, Enbridge stock is still trading 25% lower than its yearly highs in February. With such a discounted valuation and a juicy yield, Enbridge looks like a steal.

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2. NYSE:ENB (Enbridge Inc.)

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