2 High-Quality Dividend Stocks to Buy Right Now If You Have $2,000

Description

As uncertainty is now a common theme for the rest of 2020, investing in solid dividend-paying stocks more or less guarantees you consistent income. Besides, the scarcity of yields in debt instruments further makes dividend stocks attractive.

So, if you have $2,000 to invest, consider buying these two dividend-paying stocks right now. Both of these Canadian companies offer solid dividend yields and have a long history of boosting shareholders' returns through higher dividends. Their resilient business, earnings stability and significant cash flow generating capabilities ensure that the payouts are safe and could continue to increase in the coming years. Let's take a look at two **TSX** stocks with rock-solid dividends.

TC Energy

With decades of uninterrupted dividend payments and consistent dividend hikes, **TC Energy** (TSX:TRP)(NYSE:TRP) is a top income stock to buy and hold for the long term. Besides, its high yield of 5.2% is very safe as the company generates nearly 95% of its adjusted EBITDA from the rate-regulated assets and long-term contracts.

TC Energy's dividends have grown at a compound annual growth rate (CAGR) of 7% from 2000 to 2015. Meanwhile, its dividend growth rate accelerated further to 8-10% from 2015 to 2019. Earlier, in February, the company raised its dividends by 8% and expects to increase it by 8-10% in fiscal 2021. Further, it is expected to increase by 5-7% beyond 2021.

TC Energy's business is highly insulated with multi-decade predictable earnings streams. Despite the challenges from the COVID-19 however, TC Energy's assets utilization levels remain robust. The company is moving ahead with its $37 billion secured capital program, which is likely to result in a highly contracted and rate-regulated business.

With its diversified and high-quality assets and stellar dividend payment history, investors should lap up TC Energy stock to squeeze high and safe yields amid uncertainty.

Fortis

With nearly five decades of consistent dividend hikes, **Fortis** (TSX:FTS)(NYSE:FTS) is a must-have stock to generate steady income amid any market condition.

The company generates nearly all of its earnings from the rate-regulated utility assets, which implies that its payouts are safe and its dividends could continue to grow in the coming years. Regulatory mechanisms safeguard about 63% of its revenues. Besides, 19% of its revenues are derived from residential sales, implying that economic slowdown is unlikely to have much of an impact on its performance.

Fortis expects its rate base to increase at a CAGR of 6.5% till 2024, which is likely to support dividend growth in the coming years. The company expects its dividends to increase by 6% annually during the same period, which is encouraging for any income investor. Besides, the company will continue to expand and diversify through acquisitions and investments in infrastructure and renewable power. Currently, Fortis offers a healthy dividend yield of 3.6%.

Bottom line

Investors should note that both these reliable dividend-paying stocks are likely to provide comfort with their solid yields amid uncertainty. Both these companies have a long history of annual dividend increases, and their resilient business and strong cash flows suggest that investors are likely to benefit from higher dividends in good and bad times.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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2. NYSE:TRP (Tc Energy)
3. TSX:FTS (Fortis Inc.)
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