Top 4 TSX Income Stocks to Buy This Fall

Description

On September 4, Statistics Canada reported that the economy added 246,000 jobs in the month of August, marking the fourth consecutive month of job gains after unemployment numbers spiked during the brutal months of March and April. After this, the overall employment number is within 1.1 million of pre-pandemic levels.

Even so, many economists and analysts are worried about what is to come. Today, I want to look at income stocks on the **TSX** that can protect our portfolio.

Many people are anxious about the end of government subsidies and programs like the CERB will result in a whirlwind of defaults. Moreover, the return of the winter will be dangerous for a devastated restaurant sector. This could mean service sector jobs may be lost as quickly as they were gained back this summer.

This income stock is still undervalued

Back in May, I suggested that investors scoop up **Canadian Western Bank** (TSX:CWB). Its shares have climbed 11% over the past three months as of close on September 7. The stock is up 26% month over month.

In the third quarter, the regional bank saw revenue rise to $226 million – up from $218 million in the prior year. Adjusted profit per share came in at $0.74. This was down from Q3 2019, but this far exceeded analyst expectations. Like its Big Six peers, Canadian Western saw provisions for bad loans eat into earnings. Regardless, this quarter was a very solid progression from a difficult Q2 2020.

This income stock has delivered dividend growth for over 25 consecutive years. Currently, Canadian Western offers a quarterly dividend of $0.29 per share, which represents a 4.1% yield. Better yet, the stock boasts a favourable price-to-earnings ratio of 9.6 and a price-to-book value of 0.9.

A future dividend king to hold forever

Last month, I'd explored three reasons I'll never let go of **Fortis** stock. This St. John's-based utility has been a reliable hold during the COVID-19 pandemic. Most impressive of all, this income stock is on its way to becoming a dividend king on the **TSX —** on track to delivering at least 50 consecutive years of dividend growth.

Fortis' streak currently sits at 47. It offers a quarterly dividend of $0.4775 per share, representing a 3.6% yield.

Two more income stocks to stash in September

When it comes to storing income stocks, it never hurts to go after Canada's bread and butter. Oil, gas, and rail transportation have been steady sources of stability for the domestic economy. That's unlikely to change in the first half of this century.

Enbridge is an energy infrastructure behemoth. However, its shares have fallen 15% so far this year. The company has fought frustrating regulatory battles in recent years, but often comes out on the right side. This income stock last paid out a quarterly dividend of $0.81 per share, which represents a very attractive 7.8% yield. Enbridge has delivered dividend-growth for over 20 straight years.

Canadian National Railway stock has climbed 16% in 2020. This is another income stock that has posted over 20 consecutive years of dividend growth. It last paid out a quarterly dividend of $0.57 per share. This represents a modest 1.7% yield.

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