



## 3 Biggest Canadian Stocks for Unmatchable Dividend Stability

### Description

I firmly believe that some part of your portfolio should be of high-quality, dividend-paying stocks. Even if they are slow and seem boring, the comfort one would get with those stable monthly or quarterly dividends is just too satisfying. Notably, I would be inclined to earn moderate returns and prefer stability rather than taking a risky bet for meagre 2% higher returns.

So, let's take a look at some of the biggest Canadian dividend stocks.

### TC Energy

When it comes to betting on energy markets, midstream space is a relatively safer subsector. Canadian oil and gas pipeline company **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is among the safe picks for income-seekers. It yields more than 6%, higher than TSX stocks at large.

While many energy companies reported massive losses in 2020, midstream companies like TC Energy were relatively strong. It even managed to report marginal earnings growth so far this year compared to 2019. That's mainly because a large chunk of its earnings come from long-term fixed-fee contracts that are less exposed to volatile crude oil prices.

TC Energy stock has been on a decline for the last few months, mainly because of the energy markets' gloomy outlook. TC Energy stock has lost almost 30% during the pandemic and looks attractive from the valuation standpoint.

Importantly, TC Energy will likely continue to pay [steadily growing dividends](#) for years, mainly driven by its predictable business model and stable cash flows.

### Fortis

Top utility stock **Fortis** ([TSX:FTS](#))(NYSE) is my second dividend stock pick for long-term portfolio stability. It yields almost 4% at the moment and has paid dividends for the last 46 consecutive years.

Utilities are some of the best bets right now for multiple reasons. Lower interest rates force yield-seeking investors from bonds to utility stocks. Also, lower rates decrease the debt servicing costs of utilities, which ultimately increases their profitability.

Besides, equity markets are turning more and more unpredictable amid the pandemic and U.S. presidential elections. Utility stocks have a lower correlation with broader markets, and they generally outperform when equities turn volatile.

Fortis is among some of the safest utility stocks largely due to its regulated operations. They facilitate stable cash flows and dividends. Fortis management expects its dividends to increase by 6% per year for the next few years. Such dividend visibility and predictability would be highly valuable for investors, particularly in these uncertain times.

## Toronto-Dominion Bank

Very few Canadian companies have an extremely long dividend payment streak. **Toronto-Dominion Bank** ([TSX:TD](#))(NYSE:TD) is one of them. This bank has managed consistent growth through multiple crises and recessions and has paid dividends for the last 164 consecutive years.

Toronto-Dominion Bank stock currently yields 5.2%, which means an investment of \$10,000 in TD stock would generate \$520 in dividends every year. Notably, just like peer bank stocks, TD Bank might trade weak for the next few quarters as the pandemic weighs on their earnings.

However, their dividends will likely remain stable because of their asset quality and diversified earnings base. Additionally, TD Bank's U.S. operations are expanding at an above-average rate, which could significantly boost in the [post-pandemic world](#).

Even if the stock remains volatile in the short term, its dividends and long-term capital appreciation potential make it an attractive pick.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:FTS (Fortis Inc.)

5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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