



Buy This 1 TSX Dividend Stock for Years of Passive Wealth Creation

Description

Waking up to a market that learned its fate over the weekend is always exhilarating. The **TSX Composite Index** is up 1.3%. Look across the board, and you'll see rocketing share prices in names that shouldn't technically even be rallying. **CNQ** gained 18.5% by lunchtime Monday. **Enbridge** was up by 4.8%. **TD Bank** was up 4.3%. The unbearable uncertainty of the election had been shattered. What was left in its place, with the exception of some gold and tech stocks, was a market-wide relief rally.

Look past the short-term stock market rally

Sudden upside is all well and good. However, the best course of action for TSX investing at the moment might be to adopt a low-risk build-and-trim strategy. When scouring quality indicators of a strong dividend stock, investors should take a number of factors into account, such as predictability and value. These can also help to calculate capital gains, as can other indicators such as projected total returns.

In particular, a multi-decade track record of payment growth goes a long way to reassure investors looking for stocks that pack low-maintenance passive income. **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), for instance, is often held up as an example of this. The defensive energy play can boast an unbroken payment history spanning four-and-a-half decades. Its dividend yield might be on the small side at 3.7%, but at least it can be said to have reliability going for it.

Fortis might not look like much in terms of growth. However, if it's a [steady-rolling dividend stock](#) you're looking for, this name has you covered. While the rest of the market was bouncing all over the place Monday, Fortis kept steady with growth of 1.2%. Of course, that probably shouldn't have surprised anybody *au fait* with a name that boasts a super-low 36-month beta of 0.08%.

A key TSX stock for tax-free investing

There are multiple reasons why Fortis should be one of the first stocks that a newcomer to TFSA investing should consider. Aside from the fact that it barely blinks when the U.S. changes presidents,

Fortis is also as reliable as a rock. Predictability is a hot commodity when it comes to stock investing, and a slightly overvalued set of market ratios reflects that. But for first-time TFSA investing, it's a must-have stock.

In terms of value, a P/E of 20 times earnings, especially when underscored with a P/B of 1.5 times book, suggests slight overpricing. But again, this is to be expected when low-volatility stocks are at a premium. Even before factoring in total returns, that 3.7% yield, matched with multiple quality indicators, makes this defensive utilities stock a play for [multi-year wealth creation](#).

This is also a solid addition to a long-term retirement plan. Whether investors are looking way down the road, or simply padding out an RRSP at the last minute, Fortis can provide a bit of backbone to a portfolio. Additionally, Fortis is a key pick for otherwise high-risk momentum investors who are starting to look at broader stock market exposure. It's also a way to hold onto energy exposure while easing out of hydrocarbons.

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