



## Got \$5,000? Turn It Into \$10,000 With This 3.41% Dividend Stock

### Description

There are plenty of opportunities in the stock market right now. However, the element of unpredictability in the current market is a major problem for investors. Despite a few [high-growth stocks](#) that are enjoying immense success during these challenging times, no company can be a solid bet.

The e-commerce industry has most of the high-growth stocks that are providing substantial returns to investors through capital gains. However, what goes up does come down. With so many companies soaring to all-time highs, a correction could cause devastating losses to investor capital.

### Safer opportunities

It is better to look for opportunities to provide you with more reliable returns through capital gains and dividends. I will discuss one such stock that you can consider for this purpose and possibly double your money in a few years.

If you have \$5,000, you can use it as capital to invest in **Hydro One Ltd. (TSX:H)** and benefit from its massive returns. Since getting listed on the TSX, Hydro One has provided its shareholders with 65.65% returns on their investment, including capital gains and dividends.

If you invest \$5,000 in the [dividend stock](#) and remain invested for ten years, it could turn your \$5,000 into \$11,565.

### A growth stock with a layer of safety

Hydro One is an excellent stock to consider to effectively double your money in the long run. The company is a utility sector operator. Utility companies are known for their defensive capabilities during turbulent market conditions. These companies can continue generating predictable cash flows and finance reliable dividend payouts. However, they are boring due to a lack of significant capital gains.

Hydro One is a \$17.7 billion market cap utility company operating in Ontario. It does not generate

power, but is responsible for power transmission and distribution. Its business model allows the company to profit from the stability of the utility sector without substantial upfront costs on production assets.

Its business model has allowed Hydro One to acquire more assets that will fuel its growing revenues and dividends. The stock is trading for \$29.73 per share at writing, and it sports a juicy 3.41% dividend yield. Hydro One is up more than 41% from March lows at its current valuation, and it has just gone past its all-time high valuation.

Hydro One's stable earnings and high dividend yield can be instrumental for investors seeking reliable returns to improve their long-term financial position.

## Foolish takeaway

If you want to enjoy short-term and terrific capital growth, there are plenty of assets available in the tech sector. However, the unpredictable nature of the markets can increase the aspect of risk involved with tech stocks. If you are an investor interested in both preserving your capital and growing your wealth, it would be better to consider safer stocks.

I think that Hydro One can provide you with significant capital growth without putting your wealth at too much risk.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:H (Hydro One Limited)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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