



Passive Income: 2 Reliable Dividend Stocks

Description

Investors focused on generating passive income can find stocks trading at decent value today. In particular, there are some reliable blue-chip stocks offering great long-term value.

Of course, in today's economy, the criteria for a good [passive-income](#) stock has to be rather strict. This is because the dividends of even some big-name stocks could be at risk.

So, a good passive-income stock needs to have both an attractive yield and the stability to maintain it going forward. On top of that, investors should want stocks that can expand further and continue to grow their dividends.

Today, we'll look at two TSX giants with [reliable dividends](#) that can generate solid passive income.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is a major Canadian bank with a strong international presence as well. As of this writing, it's trading at \$66.42 and yielding 5.42%.

When it comes to generating passive income, bank stocks are typically solid bets. They offer incredibly reliable dividends that have clear trajectories for growth.

You typically won't get a ton of share price growth out of a stock like BNS, but its expansion into international markets gives it potential drivers for growth going forward. Even still, its track record for dividend stability make it an ideal passive-income stock.

In fact, BNS hasn't missed a dividend payment in around 185 years. Plus, it has consistently grown its dividend over that time to continue to deliver value to investors.

When a yield of 5.42% is attached to a big name like BNS, passive-income investors should be interested. Over time, the total return potential is high with this major Canadian bank.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a major utility giant in Canada. Its operations are internationally diversified, with services spanning North and Central America as well as areas of the Caribbean.

While Fortis doesn't offer a gigantic yield typically, it's still an interesting name to look at when it comes to passive income. This is because it has one of the most reliable dividends out there and as such creates dependable income for investors.

What makes Fortis's revenue, and hence its dividend, so stable is its basic business structure. Namely, it delivers utilities and services based almost entirely on regulated contracts.

This means the demand for its services is practically set in stone and its cash flow should be very predictable. This stability is reflected in FTS's relationship with the market, as a beta of 0.05 seems to suggest this passive-income stock resists the market's movements.

That's a positive attribute for passive-income investors looking to for a bit more of a defensive approach. While Fortis won't exhibit extraordinary levels of growth, it's reliable and resilient.

As of this writing, FTS is trading at \$52.01 and yielding 3.89%. As mentioned, that yield isn't exactly eye popping, but it's still substantial. Given its stability, it's still attractive.

Passive-income stocks

BNS and FTS both offer passive-income investors good value at the moment. Over the long term, the dividends rolling in from these stocks can help build a solid passive-income stream.

If you're looking to add some dividend-paying stocks to your portfolio, these two could be worth checking out.

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)

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