



3 of the Best TSX Stocks to Buy for the Dividends in December

Description

Vaccine breakthroughs and a change of scenery in the political landscape south of the border are buoying a turbulent market. But for low-risk investors, dividend stocks are the way forward. Today, we will take a quick look at three of the top types of income stocks to buy and hold for the long term.

The strong track record

Fortis is a top stock to buy for its track record in payments. That track record is now standing at 47 straight years of dividend payouts. That's almost half a century of reliability. This lends Fortis that key characteristic that all low-risk investors should be looking for right now: predictability. That's the biggest thing that Fortis has going for it, and it's a quality that adds a definite shine to a modest 3.8% yield.

The rich-yielding dividend stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is currently paying a rich dividend yield of 7.6%. That yield has been nudging 8% all year, as a downturn in energy usage rattled the power production industry. At a glance, though, this is a stock that trades at nearly 30% off its fair value but is also looking at almost 50% annual earnings growth. That's quite the pairing of data points.

With regards to value, Enbridge's price is 1.5 times its book value. That's almost reasonable for a [stock of this calibre](#). It's also a business that has been positioning itself for the green revolution, packing renewables capacity of 2,000 megawatts in its asset portfolio. Total returns by mid-decade could be around 33% by conservative estimates. However, this wide-moat pick could turn out to be deceptively high growth.

The defensive market leader

From one market leader to another, **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is about as defensive as they come. Nutrien has one of the [widest of economic moats](#) of any stock on the TSX. While consumer

staples are usually on the same level when it comes to low-risk assets, this year has proven that nothing is ever quite so straightforward.

Indeed, Nutrien is often overlooked in favour of other wide-moat picks. Consider the fanfare enjoyed by such names as the previously mentioned Enbridge, or the ever-popular **CN Rail**. But Nutrien has arguably has much broader market penetration on the world scale than either of these two names. Nutrien also packs a 3.7% dividend yield and could enjoy 32% annual earnings growth in the coming years.

Agri commodities are the ultimate consumer staples play. That said, though, they often don't get a lot of press when it comes to investing strategies. Nevertheless, as a global leader in potash production, as well as a top producer of other agri inputs, Nutrien is therefore one of the world's top consumer staples companies.

Bottom line

By holding Fortis, Enbridge, and Nutrien in a stock portfolio, investors are building some solid backbone in their wealth-creation plan. Pandemic-focused, near-term growth assets are likely to look tempting over the next few months. But balancing them with long-term, passive-income picks can both reduce the risk of capital loss and add peace of mind to a multi-year basket of TSX stocks.

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1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

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2. NYSE:NTR (Nutrien)
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