2 Dividend Heavyweights to Buy and Hold During Market Volatility

### Description

The Canadian equity markets suddenly dipped last year at the onset of COVID-19 and ensuing lockdowns. After a few weeks of alarming decline, the stock market quickly began recovering. In a matter of months, the market picked up where it left off and began climbing to new all-time highs.

The upward momentum in the Canadian equity market has continued in 2021, despite the rising COVID-19 cases, boiling hot valuations, and slow economic recovery. All these factors could be leading to a sharp and drastic pullback in the stock market.



As the outlook becomes increasingly uncertain, savvier investors might be looking to protect their capital and strengthen their portfolios. Many investors are considering parking their money in shares of companies that can provide them with reliable and safe dividends, because they tend to do well during market volatility.

I will discuss two Canadian dividend heavyweights that you can buy and hold during market volatility.

## Fortis

**Fortis** (TSX:FTS)(NYSE:FTS) is always a stock I would pick if I am looking for a reliable, resilient, dependable, and heavyweight dividend stock. The recession-proof stock has proven time and time again that it will not fade regardless of the market environment.

The utility company held steady, despite the COVID-19-led market crash. Investors holding on to the stock did not lose, because its valuation took a slight hit but came around rapidly. Fortis did not stop paying its shareholders its increasing dividends.

Fortis has a 47-year dividend-growth streak, and it looks on track to deliver on its 48th consecutive year of growing dividend payments to its shareholders. The company generates most of its revenues through highly regulated and contracted assets, virtually guaranteeing its shareholders their returns.

# TransAlta Renewables

**TransAlta Renewables** (TSX:RNW) is an asset to consider adding to your portfolio for the exciting opportunities it presents its investors. The renewable energy sector will become increasingly important as time passes. Traditional fossil fuel energy companies and utilities are also taking note of the changing trends and pivoting to adapt.

The use of fossil fuels has been destroying the environment, and governments are increasing their focus on renewable energy sources. Companies like TransAlta Renewables are already well positioned to capitalize on the renewable energy boom.

The company owns and operates a highly diversified portfolio of renewable energy facilities across Australia, Canada, and the United States. Its portfolio comprises wind, gas, hydro, and solar power generation facilities, with a cumulative 2.5 GW capacity.

# Foolish takeaway

Fortis is trading for $51.92 per share at writing, paying its shareholders at a juicy 3.89% dividend yield. TransAlta is trading for $21.72 per share with a juicier 4.33% dividend yield.



Fortis has a long-standing reputation for being a reliable, dividend-paying stock. TransAlta can also provide its investors with reliable dividends. It is also well positioned to provide its shareholders with substantial returns through capital gains as the renewable energy sector grows bigger in the coming years.

Fortis and TransAlta could both be excellent dividend stocks to consider adding to your portfolio during market volatility and beyond.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

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3. TSX:RNW (TransAlta Renewables)

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adamothman