2 Top TSX Stocks Income Investors Need to Buy Today

Description

Those looking to add some high-quality top-tier income stocks to their portfolio – listen up. I've got three top **TSX** picks I think ought to be considered right now. These are companies that have outperformed on a historical basis. These are also companies I think have a long runway for growth.

Fortis

A dividend growth superstar, **Fortis Inc.** (TSX:FTS)(NYSE:FTS) has to be a core holding for long-term income investors. As I've pointed out a number of times before, Fortis is a dividend aristocrat of epic proportions. This company has raised its dividend each and every year for nearly five decades! That's right, decades. Dividend growth is perhaps more important that the given yield of a company on a particular day. This goes double for investors with growing long-term income needs in retirement. This factor alone makes this a "forever" stock I'd put in my buy list right now.

Additionally, Fortis' business model is extremely defensive, providing stable cash flow growth over time. This cash flow growth paves the way for historical double-digit total returns over the long-term. Until Fortis customers turn off the lights and stop heating their homes, Fortis' cash flow will grow over time. Thus, there's no reason to believe Fortis will do anything other than continue its long-term double-digit rate of return for decades to come.

Enbridge

Another play in the energy sector with a higher yield of 7.4% is **Enbridge Inc.** (TSX:ENB)(NYSE:ENB). Similar to Fortis, Enbridge has been a reliable dividend grower over time. However, unlike Fortis which has a current yield of 3.9%, Enbridge is expected to have a lower rate of dividend growth over time.

That said, as I've discussed in recent articles, this is due to the company shifting its capital allocation toward improving its balance sheet. Enbridge is a company with a lot of debt and a rather high yield. Thus, this is not a dividend stock that requires consistent mid to high-single digit annual dividend hikes. Rather, Enbridge investors will certainly be satisfied with the low to mid-single digit annual increases the company is expected to provide over the medium-term.

Enbridge's business model is similarly defensive in nature. This defensiveness comes from long-term favorable contracts with the company's counterparties. A significant amount of counterparty risk continues to be priced into this stock. However, the large cap nature of Enbridge's core customers provides excellent stability on this front. Additionally, pipeline capacity remains constrained, and Enbridge is one of the few energy infrastructure companies out there with expansion projects expected to be approved.

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chrismacdonald