



Is Fortis (TSX:FTS) Stock a Buy?

Description

With a rough 2020 in the rear view, many stocks have started recovering and trading at high levels again. While it would have been great to get in at lower prices, that doesn't mean it's a bad time to invest. This is especially true with a stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Particularly for long-term investors, the entry price point is largely irrelevant in the grand scheme of things. However, it's always worthwhile to consider whether it's the right time to pull the trigger.

Typically, time in the market beats timing the market, as the old adage goes. This definitely applies to Fortis, because it's all about milking the dividend income as an investor.

This is because Fortis stock is more of an [income play](#) for investors, so you want to start raking in those dividends when you can. Plus, Fortis tends to march to the beat of its own drum with a beta of 0.05.

That means it typically doesn't move in lockstep with the broader markets. This is evidenced by the fact Fortis stock has mostly traded flat since April of last year. So, with this stock, you aren't really looking to hop on before it explodes higher. You're just looking to jump on at any point to start grabbing the dividends.

Solid income

This Canadian utility giant has a healthy track record for maintaining and growing its dividend, thus providing solid income to its investors. It's able to do this due to how it structures its revenue sources.

That is, the company operates largely through regulated service contracts across its regions. This means revenues are secure, predictable, and substantial.

This trickles down to the individual investor through the ever-reliable dividend that Fortis stock offers. As of this writing, it's trading at \$52.23 and yielding 3.87%.

While that's not the most eye-popping yield around, it can certainly provide a foundation for an income-based investment portfolio. Plus, Fortis's [growth plan](#) going forward seems to suggest the dividend is secure and on track for further bumps upward.

Time to buy Fortis stock?

As mentioned above, there isn't really a best time to buy a stock like Fortis. Of course, the cheaper you get it the better, but in the long run, it isn't a big deal.

Fortis is meant to be held for a long time where you can enjoy the steady income benefits of the stock. Over time, it could amount to a decent amount of cash, and the reliability of the dividend is king.

It's worth mentioning that this type of investment is suited for all investors. Younger investors who might be willing to take on more risk probably won't be too interested in Fortis stock. That's because while it shines in stability, it lacks in high-end growth prospects.

Yet, it might be the ideal investment for Canadians who are looking to add some passive income to their investment strategy and aren't looking to take on heaps of risk. In that case, a nearly 4% yield is a pretty attractive deal.

If you're looking to add some extra TSX diversification to your income-based portfolio, be sure to give Fortis stock some strong consideration.

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2. Investing

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