



## Worried About Volatility? Buy These 4 Safe Canadian Stocks

### Description

Amid rising bond yields and higher valuations, I expect Canadian equity markets to be volatile in the near term. So, investors can strengthen their portfolios by adding the following four safe Canadian stocks.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) operates a highly regulated utility business, serving around 3.3 million customers. The company earns approximately 83% of its top line from residential sales or regulated mechanisms, which provides stability to its financials. Meanwhile, the company has planned to invest approximately \$19.6 billion over the next five years, which could increase its rate base by \$10 billion at a CAGR of 6%. The rate base growth could drive the company's financials in the coming years.

Supported by its stable cash flows, Fortis has rewarded its shareholders by raising its dividends for 47 consecutive years. Currently, the company pays quarterly dividends of \$0.51 per share, with its dividend yield standing at 3.9%. Meanwhile, the company's management expects to raise its dividends by 6% annually until 2025, thanks to its rate base growth.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) operates diversified regulated utility businesses and renewable power-generating facilities. The company serves around one million customers and owns or has an interest in three gigawatts of installed capacity. The company sells about 85% of the power generated from these facilities through long-term contracts, which, along with its low-risk utility business, provide stability to its financials.

Further, the company's management has planned to invest around \$9.4 billion over the next five years. These investments could expand the company's rate base at an average annualized growth rate of 11.2% and drive its adjusted EPS by 8-10%. So, given its steady cash flows and healthy growth prospects, I believe Algonquin Power & Utilities could be an excellent defensive bet. The company also

pays quarterly dividends of \$0.20 per share, with its forward dividend yield standing at 3.9%.

## NorthWest Healthcare

**NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) acquires and manages highly defensive and diversified healthcare properties, which delivers stable cash flows. Despite the pandemic, the company enjoyed high occupancy and collection rates. Further, its tenants have signed long-term contracts, with a weighted average lease expiry of 14.5 years.

Meanwhile, NorthWest Healthcare's management is looking at expanding its operations in Europe and Australia. Since the beginning of the last year, the company has completed [\\$998 million worth of accretive acquisitions](#), which could boost its financials in the coming quarters. Further, last month, the company had raised around \$220 million through new equity offerings. These proceeds could help the company in reducing its debt levels and also make future acquisitions. So, given its steady cash flows and healthy growth prospects, [I believe NorthWest Healthcare could strengthen your portfolio](#). The company also pays monthly dividends of \$0.067, representing a dividend yield of 6.1%.

## Telus

My final pick would be **Telus** ([TSX:T](#))([NYSE:TU](#)), one of Canada's three top telecom companies. Along with its wireline, wireless, and TV services, the company also provides telehealthcare services with significant growth potential. Despite the challenging environment, the company added 253,000 net new connections in its recently announced fourth-quarter earnings. Its top line also rose 5.2% on a year-over-year basis, depicting its resilience and operational excellence.

Further, Telus's management has provided a promising 2021 guidance, with its top line and adjusted EBITDA projected to grow at high single digits. Further, the management hopes to generate free cash flows of \$1.5 billion. Given its business's essential nature, steady cash flows, and a promising outlook, Telus could be a good buy in an uncertain outlook. Further, the company has raised its dividends consistently over the last 10 years. It pays quarterly dividends of \$0.3019, representing a forward dividend yield of 4.8%.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)

5. TSX:FTS (Fortis Inc.)
6. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
7. TSX:T (TELUS)

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