



## TSX Stocks: 3 Canadian Giants That Offer Stable Passive Income for the Long Term

### Description

When it comes to investing in stocks, people focus more on growth and very little on stability. That's why dividend investing is one of the most misjudged approaches. Dividend stocks offer decent growth and are also comparatively less volatile. It makes sense to invest at least some portion of your portfolio in dividend stocks. Here are some of the biggest TSX stocks that offer handsome dividends.

### Canadian Utilities

Top utility stock **Canadian Utilities** ([TSX:CU](#)) offers a juicy dividend yield of 5.3%, notably higher than peers. Even if utility stocks look boring at first, they offer decent growth that beat broader markets in the long term. In the last two decades, CU stock has returned 8% compounded annually, beating the **TSX Composite Index**.

Utility stocks are low-risk, low-return stocks. But at the same time, they offer stable passive income and stability. So, if you don't want to see your portfolio value fluctuate significantly daily, you should have utility stocks in your portfolio.

Canadian Utilities generate a significant chunk of its earnings from regulated operations. This makes its earnings and [dividends](#) more stable and visible. Canadian Utilities has increased its dividends for the last 49 straight years, the longest streak for any Canadian company.

Additionally, utilities generally outperform in low-interest rate environments driven by their premium dividend yields. Based on CU's current yield, a \$10,000 investment in CU will make \$530 in dividends every year. Investors can expect a decent dividend increase from CU for years because of its low-risk operations and predictable earnings.

### Power Corporation of Canada

**Power Corporation of Canada** ([TSX:POW](#)) is a \$22.6 billion financial services company that operates

in North America, Europe, and Asia. It has a majority interest in Canada's one of the biggest insurance companies **Great-West Lifeco** and wealth management company **IGM Financial**.

Power Corporation stock is currently trading at a dividend yield of 5.5%. The stock is currently trading at its decade-high levels.

Although it offers [decent dividends](#), POW stock has returned 7% compounded annually in the last decade, an average performance against some TSX biggies. POW stock has soared 75% in the last 12 months, remarkably outperforming broader markets.

## TC Energy

Another safe and high-yielding TSX stock that offers dividend stability is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). It yields 6% at the moment, notably higher than TSX stocks at large. It has increased dividends for the last 21 consecutive years.

Note that when companies were suspending dividends amid the pandemic last year, TC Energy maintained its dividend-growth streak.

The company's earnings stability is the main factor that facilitates such consistently growing dividends. TC Energy is mainly a pipeline company and does not have direct exposure to volatile oil and gas prices.

Apart from midstream, it is also involved in power generation. The company has a low-risk, fixed-fee business model that offers earnings visibility and offers more clarity to shareholders.

TC Energy intends to increase its dividends by 5-7% annually for the next few years. Juicy yield and decent growth prospects make TC Energy one of the top stocks to buy in such volatile markets.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
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5. Personal Finance
6. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:POW (Power Corporation of Canada)
4. TSX:TRP (TC Energy Corporation)

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### Author

vinitkularni20

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