



Scared of the Stock Market? This 1 Stock Should Calm You Down

Description

Once upon a time, before the internet came and sped everything up, people used to take things slowly. They took their time in relationships, jobs, businesses, *and* investments. People assumed that most investments take a lot of time to mature and become profitable. The perception changed with day trading, but relatively few people had access to it in the past.

Now, with millions of retail investors with trading apps on their phones and volatile assets like crypto becoming commonplace, the assumed pace of investment growth has changed. But this rapid activity and volatility are still beyond the appetite of many people. And the negative consequence of this low-risk tolerance is that they tend to stay away from the stock market altogether, relying on bonds and other fixed-income vehicles to grow their savings at a snail's pace.

If you are scared of the stock market and believe these angry waters are not for you, there is one calm "lake" you might be interested in.

A stable utility stock

Many people who don't like to invest in stocks believe that stocks are inherently risky and unreliable. But this perception can change if you start looking into [stable stocks](#) like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). It's a utility company with 3.4 million customers (2.1 million electric and 1.3 million natural gas customers). 99% of the company's assets are regulated.

As a leader in regulated electricity and gas electricity in North America, Fortis is quite well positioned in the utility industry. And even though it's paltry compared to its presence in the U.S. and Canada, Fortis has utility operations in eight Caribbean countries as well.

The company has been serving North Americans since 1885 and has about \$56 billion worth of assets to its name. And it's not just stable today. Fortis is rapidly evolving to meet the new realities (and expectations) of a "greener" utility market of tomorrow.

The dividends and capital growth

Understanding how financially stable and sound the company is important to dispel your fears of investing in the stock market. But knowing the return potential is crucial as well. Fortis has the distinction of being the second-oldest aristocrat on the **TSX** and has been growing its payouts for 47 consecutive years. It's quite close to achieving the dividend king status in the U.S., which only a handful of corporations possess.

The stellar dividend history comes with a decent enough yield (3.68%). Fortis also has capital growth potential if we consider its history. Apart from some usual dips, the stock price has been growing relatively consistently for the last three decades. And its 10-year compound annual growth rate (CAGR) of 9.4%, though not very impressive, is sustainable and is significantly better for growing your wealth than [fixed-income alternatives](#).

Foolish takeaway

The major strength of a stock like Fortis is that it tends to fare well even in harsh market conditions. That doesn't mean it doesn't go down when the market crashes or keep growing even during a recession. But compared to the broader market, Fortis performs comparatively well, thanks to its reliable revenue sources and the investor confidence it commands.

CATEGORY

1. Dividend Stocks
2. Investing

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