



## 3 Top TSX Income Stocks to Buy Today

### Description

The TSX Index is off to a ridiculously [strong](#) start, but don't think that there are no [opportunities](#) to nab top TSX income stocks for cheap. As you're probably aware, the Canadian stock market is heavily weighted in the financials and commodities, both of which have been soaring of late. Stocks in such industries have done most of the heavy lifting for the TSX, while many high-quality names have been faded into the background.

At this critical market crossroads, it's not hard to beat the markets. As long as you're willing to scavenge the wreckage for bargains that passive investors can't take advantage of.

In this piece, we'll have a look at three top TSX income stocks that look to be trading below my estimate of their intrinsic value. Each name boasts a bountiful yield that's slated to grow at a decent annual rate for many years to come.

### Algonquin Power & Utilities

**Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is one of the cheaper ways to punch your ticket to renewable power production. The stock is fresh off a nearly 19% plunge, bringing the dividend yield back up to the 4.5% mark.

The company provides the perfect mix of growth and income. With some robust utility assets in the states and a pipeline full of cash flow-generative renewable projects, I think it's a mistake to sleep on Algonquin, as the stock flirts with a bear market. If you're one of many investors who's grown concerned about valuations in some of the hottest green energy stocks, fear not. Algonquin remains unreasonably undervalued at just 11.5 times earnings, 5.6 times sales, and 9.1 times cash flow.

Over the near term, there may not be as many catalysts. That said, longer-term investors can expect fast and furious dividend hikes over time, making the name a top investment to buy and forget for years at a time.

## Canadian Utilities

**Canadian Utilities** ([TSX:CU](#)) stock has been under considerable pressure ever since the COVID-19 pandemic struck, and for no real, good reason. While shares have begun to bounce off their February 2021 bottoms, the stock remains a country mile away from pre-pandemic highs of \$42 and change — levels that I think the name could surpass by year's end.

The main attraction to the name is its colossal 5% dividend yield, which is well supported by cash flows, despite COVID-induced pressures. With a steadily growing payout propelled by the company's ambitious \$3.5 billion capital-investment plan slated to end next year and moves to divest its filthy coal electric-generation assets, I think CU stock is a screaming buy before income-savvy value investors start to take notice.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is another Steady Eddie, dividend-growth stock that Canadian investors should feel comfortable buying and holding for life. Compared to the other beaten-down TSX income stocks in this piece, Fortis stock sports the least bountiful yield at 3.7%.

While the upfront yield is on the lower end, the firm is poised to grow its payout at good mid-single-digit rate thanks in part to earnings growth projects, which are expected to fuel 6% in bottom-line growth through 2025. The dividend is poised to grow at a similar rate over time, regardless of what ends up happening with the broader markets.

The stock trades at 2.9 times sales and 20.6 times earnings. It's not the cheapest utility stock on the TSX, but that's certainly a low price to pay given its high degree of predictability in these times of great uncertainty.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:FTS (Fortis Inc.)

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