3 Top TSX Income Stocks to Buy Right Now

Description

Right now is a great time to seek portfolio diversification. Indeed, improving one's risk-adjusted returns over time is always a good idea.

Accordingly, with volatility rising of late, these three stocks can help provide some much-needed portfolio stability. Herein lies the core value proposition of these three companies.

Let's dive into why these are top picks of mine right now.

Fortis

In the utilities space, **Fortis** (TSX:FTS)(NYSE:FTS) is a Canadian powerhouse. And I mean that both figuratively and literally.

The company's long-term cash flow growth trajectory is impressive. Indeed, the company's growing cash flows are perhaps most impressive for their stability. Fortis's long-term, regulated utilities contracts for its core business provide stability unlike many stocks. This stability has allowed the company to engage in a decades-long redistribution of wealth to shareholders, which is hard to beat in the markets.

Fortis has raised its dividend each and every year for nearly five decades. This Dividend Aristocrat currently offers investors a dividend yield of 3.6%, at a price-earnings ratio around 21. Finding a better dividend payer at this sort of valuation is difficult in this market.

SmartCentres REIT

For investors intrigued by the rising values of real estate prices, **SmartCentres REIT** (TSX:SRU.UN) is a great pick today. This is precisely because retail-oriented real estate hasn't seen the boom other sectors have of late.

Indeed, SmartCentres is one of the most resilient REITs in a pandemic-hit economy. The company's retail-oriented portfolio hasn't seen a meaningful dip in revenue, like many predicted. This is mainly because of the company's high-quality portfolio of assets as well as tenants. SmartCentres focuses on larger retail properties, with blue-chip tenants like **Walmart** installed over very long-term contracts. This provides stability in the worst of times — something that has worked out well for investors who bought the dip last year.

This REIT provides investor with monthly dividend payouts of around $0.1542 per share, which equates to a yield of around 6.3%. With the economic reopening on the horizon, I am confident SmartCentres can continue to provide long-term value to shareholders.

Enbridge

In the energy sector, **Enbridge** (TSX:ENB)(NYSE:ENB) is perhaps one of the most defensive picks investors can choose right now.

This company continues to be one of my top income picks for good reason. The company's portfolio of pipeline assets provides cash flow stability — the likes of which is difficult to replicate in this market.

Yes, the company does have its own set of geopolitical risks right now. However, pipelines have proven to be one of the most stable assets in the energy sector over the long term.

Enbridge's current yield of around 7% provides investors with some very decent income right now. Furthermore, the company's projected dividend increases of 3% over the medium term mean more income appreciation is on the horizon.

Those seeking a safe long-term, high-yield play can't go wrong with Enbridge right now.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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