



3 Canadian Stocks to Buy Now for Guaranteed Income

Description

There are a lot of Canadian stocks to buy now depending on what you're looking for. It could be growth, it could be value, and it could even be a short squeeze if that's your thing (though I wouldn't recommend it).

However, every investment portfolio should look for at least some companies that provide secure income through stable cash flow. There are a few industries that provide these hard assets, rather than cyclical performance like banks or financial institutions.

Today I'm going to look at three Canadian stocks to buy now based on these parameters, and why they make excellent long-term holds for Motley Fool Canada investors.

Electric utilities

One of the top areas among Canadian stocks to buy now for Motley Fool Canada investors is electric utilities. No matter what happens, we need to keep the lights on. Even during a pandemic where the world was flipped on its head, electric utility companies proved that revenue will remain as stable as always. It's why many of these companies are able to increase dividends year after year, even during economic downturns.

This includes **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). The electric utility business grows through a combination of organic and acquisition growth. Its revenue continues to rise through these methods, but the company is also seeking further revenue growth through investing in clean energy projects.

For some idea of how this stock could perform, just look at past historical data! Shares have grown 616% in the last decade for a compound annual growth rate (CAGR) of 10.33%. Yet it continues to trade at a value level of 10.5 times price to earnings.

You can also take advantage of the company's dividend yield of 4.44% as of writing, for some extra cash while you continue to take in stable passive income. That makes it one of the top Canadian stocks to buy now.

Pipelines

There is a massive difference between pipeline companies and oil and gas producers. Oil and gas producers can be both cyclical and dependent on performance. Pipelines, however, are usually supported by [long-term contracts](#) that make up most of its cash flow.

This is the case with **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge stock has long-term contracts that will see cash coming in for decades. Even during the recent oil and gas downturn, the company managed to increase dividends. In fact, during the last decade, it has risen its dividends at a CAGR of 14.32%!

But the company isn't done yet. Enbridge stock has \$10 billion in growth projects coming online this year alone. Meanwhile, it has further projects down the line for the next few years to support even more growth. These contracts will continue to see cash coming in to support long-term investment.

Shares are up 14% in the last year, and 616% in the last 20 years, yet it still has a P/E ratio of just 10.5. So this is one of the best Canadian stocks to buy now for long-term stable gains.

Industrial REITs

It's always good to have a real estate investment trust (REIT) in your Motley Fool Canada portfolio. But not everyone is made alike. While some REITs may fall due to residential investments, others are likely to remain stable no matter what happens.

Such is the case with industrial REITs. Just like a regular REIT, it must pay out 90% of taxable earnings to shareholders, which is likely to be through dividends. But unlike other REITs, that income is incredibly stable. Especially for light industrial properties like **WPT Industrial REIT** (TSX:WIR.UN). WPT Industrial provides light industrial spaces mainly for shipping and storing products for large e-commerce companies. It continues to expand by acquiring further properties across the United States and Canada. It currently has 110 properties under its portfolio, with funds from operations increasing a whopping 62% year over year as it collected 99.8% of rent! A record quarter for investors.

Shares in the company are up 33.6% in the last year, yet it also offers a value investment at 7.4 P/E. The company also sports a 4.21% dividend yield as of writing. So Motley Fool Canada investors can look forward to [stable cash flow](#) for decades, making this one of the top Canadian stocks to buy now for your financial future.

CATEGORY

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)

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