3 Canadian Stocks to Boost Your Retirement Income

Description

Do you avoid investing in stocks because of the volatility? If so, let me tell you that not all stocks are equally volatile. Some exhibit low price swings and are apt for conservative investors. If you are looking for such stable names, here are three Canadian stocks for your portfolio. These will not only provide stability, but their secure dividends will boost your retirement income.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is Canada's second-biggest energy infrastructure company. It transports natural gas from producers to refineries from its pipelines and earns commissions. Its low-risk operations earn stable cash flows that are not vulnerable to volatile energy prices.

TC Energy has increased its dividends for the last 21 consecutive years. It yields a handsome 5.6% at the moment, which is way superior to Canadian stocks at large. If you invest $10,000 in TRP stock, it will generate $560 every year in dividends. As the company increases its profits, shareholder payouts will also likely increase. The management expects its dividends to increase by 5-7% annually for the next few years.

TC Energy has returned 12% on average in the last two decades, notably outperforming peers. Its stable earnings and dividend profile make it an attractive investment proposition for long-term investors.

Hydro One

Utility stocks generally pay stable dividends for years. Consider one such stable utility stock **Hydro One** (TSX:H). It yields 3.5% at the moment and has increased dividends for the last five consecutive years. It has a relatively shorter dividend-growth streak compared to bigger utility stocks. However, driven by stable and visible earnings growth, it will likely keep increasing shareholder payouts for years.

Hydro One mainly operates in Ontario and has no exposure to power generation. It is a pure-play transmission and distribution utility, which avoids a significant capital outlay and exposure to commodity price volatility. As a result, Hydro One offers an additional layer of safety to investors.

Hydro One has returned 20% in the last 12 months, underperforming the broader markets. Notably, utility stocks generally outperform in bearish markets. Their lower volatility and stable dividends come in handy in uncertain times.

Canadian Natural Resources

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) is Canada's biggest energy company by market cap. It looks well placed to ride higher amid economic reopening and recovering energy demand.

CNQ stock yields 4.3% at the moment. It has substantially outperformed its peers, gaining more than 150% since March 2020. It has a robust balance sheet and a diverse product portfolio, which makes it an attractive bet for investors. In addition, an improved demand outlook should bode well for energy prices, which will increase free cash flow prospects for energy companies like CNQ.

Note that despite several pluses, CNQ is a comparatively riskier bet than the other two discussed above. If you have an appetite for large stock price swings, energy stocks like CNQ could deliver strong gains over a longer period.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TRP (Tc Energy)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:H (Hydro One Limited)
5. TSX:TRP (TC Energy Corporation)

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