



## Fight Inflation With These 2 Top TSX Dividend Stocks

### Description

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) are two of my [favourite](#) TSX dividend stocks to bring the fight to high levels of inflation. Both names have been sagging considerably, falling as low as 6% and 28%, respectively, with dividend yields of 3.83% and 3.22%, respectively.

Both names have secure and [growthy](#) payouts that can help offset all or at least part of the blow dealt by inflation. Even assuming both defensive dividend stocks continue to lag over the next 12 months, their dividends should help keep investors relatively defended from the insidious impact of inflation in the 3-4% range.

### Defensive TSX dividend stocks to prepare for anything

While there's no telling what the markets or inflation will do over the next year, I think it's wise to start weighing the wide range of potential scenarios and preparing for them in part. Don't subscribe to one single scenario. But do hedge your bets and be ready for Mr. Market to be full of surprises over the coming quarters. It's a weird time to be a new investor, but don't let the excess pessimism cause you to delay your entry, as it's times like these, when others are a bit jittery, that tend to have better-than-average entry points for market newcomers.

### Inflation fighter #1: Fortis

Fortis has one of the most secure dividends out there. And that's thanks to its highly regulated operations, which produce cash flows that pretty much have a moat surrounding them. It's the soundness of Fortis's cash flow stream that makes it such a staple in any portfolio that's well-balanced to risk.

Indeed, risk appetite has gone up considerably over this past year. And if the market plunges lower, Fortis stock is a name that you should think of at this juncture, as it can hold its own, given a lack of surprises and less sensitivity to the performance of the broader economy.

Undoubtedly, Fortis is a less-eventful dividend stock. But it's one whose price of admission could swell after investors begin to realize that the risk-on trade is starting to become too painful to bear. After doing virtually nothing over this past year, FTS stock looks ripe for picking, whether you're a defensive investor looking to put more cash to work after a mild pullback or a growth-heavy investor who needs a better foundation to tackle a potentially rising-rate environment. Fortis is a great way to ground your portfolio, especially at \$55 and change.

## **Inflation fighter #2: Brookfield Renewable Partners**

Brookfield Renewables stock has suffered quite the slide. COVID-related disruptions and all the sort are becoming all too familiar. Few industries have been spared. But as someone wise once said, "this too shall pass." In the case of COVID, nobody knows when it'll stop plaguing the world. Many optimists have been proven wrong thus far, with continued waves of COVID bringing forth all sorts of restrictions. Regardless, Brookfield is a name that looks to have taken on too much damage here.

The stock bounced back 5.5% on an otherwise weak day for markets on Tuesday. Indeed, the stock fallen too far, too fast. And I think Tuesday's strength could carry over, regardless of whether the broader indices are headed for that 10% correction. The long-term renewable trend is still very much in play.

Have there been road bumps? Sure, but don't discount the brilliant managers at Brookfield. They're arguably the best folks to bet on if you're looking for a long-term way to play growth in the renewable energy space. Last year, the stock overswung to the upside. After a bear market move, I think the stock has now overswung to the downside, making it a great contrarian buy on the dip, especially for those seeking shelter from volatility and inflation.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:FTS (Fortis Inc.)

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