



2 Top Canadian Income Stocks to Buy in December 2021

Description

Looking forward to December, equities remain difficult to assess. On the one hand, tapering concerns make growth stocks much more difficult to invest in right now. On the other hand, the potential for rising bond yields makes income stocks a difficult place to invest as well.

That said, stocks paying attractive [dividends](#) will always have a place in the portfolio for certain investor types. Those nearing or in retirement may value the regular income one receives. Accordingly, finding top income stocks in this market is always a good idea.

Let's dive into two of my top picks in this regard right now.

Top income stocks: Fortis

In the utilities sector, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) remains one of my top picks. This is one of the best income stocks from a long-term investor's perspective.

Why?

Well, Fortis has some pretty incredible cash flow stability, stemming from its business model. As a regulated utilities player, Fortis can bank on the monthly income the company receives from its customers. It's either pay the bill, or the lights and heat turn off. That sounds like a stable cash flow stream to me.

Fortis has used these stable cash flows to not only reinvest in its core business, but return value to shareholders. Each and every year, Fortis has raised its dividend for nearly five decades. This makes Fortis one of the best Dividend Aristocrats in Canada and one of the best income stocks period.

The company posted incredible results recently, bringing in \$2.2 billion in revenue, nearly doubling from the prior year. Earnings came in basically in line with estimates, causing a slight dip of late. However, I view that dip as a welcome opportunity to buy this stock with a stable (and growing) [yield of 3.8%](#) right now.

Suncor

In the energy sector, **Suncor** ([TSX:SU](#))([NYSE:SU](#)) remains one of my top picks. Indeed, Suncor is one of the income stocks I think is overlooked right now.

Given rising energy prices, Suncor has been a key beneficiary of this inflationary environment. The company was able to boost its funds from operations to \$2.6 billion and reduce its net debt by \$2 billion this past quarter alone. That's some impressive work to stabilize and improve the company's balance sheet.

Currently, Suncor pays out a dividend yield of 5.3%. For obvious reasons, I view this dividend as attractive. Suncor has the ability to continue to hike this dividend, so long as energy prices remain where they are right now. On this front, I'm bullish on a continuation of this energy bull market I've been talking about for some time.

Suncor's improving balance sheet, its dedication to creating shareholder value, and likelihood of dividend increases on the horizon make this one of the top income stocks investors should consider right now.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:SU (Suncor Energy Inc.)
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4. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/22

Date Created

2021/11/23

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