Retirees: 2 Safe Stocks to Buy for an Unstable Market

Description

If you are an older Canadian adult nearing retirement or currently living a retired life, getting consistent and substantial investment returns could be crucial to sustaining your lifestyle. Dividend investing is one of the best ways for Canadian retirees to supplement their retirement income through pension programs to live more comfortable retired lives.

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Canadian retirees with space in their Tax-Free Savings Accounts (TFSAs) can use their available contribution room to store income-generating assets that provide them with consistent and high investment returns. TFSA investing with the right dividend stocks can help you earn additional income during your retirement without worrying about moving to a higher tax bracket.

Today, I will discuss two safe dividend stocks that could provide you with shareholder dividends during unstable markets that you could consider for this purpose.

TransAlta Renewables

TransAlta Renewables (TSX:RNW) is a $4.86 billion market capitalization company that owns and operates a massive portfolio of various renewable energy assets, including wind farms, hydroelectric plants, solar facilities, and gas-fired power plants. Its portfolio is diversified geographically, with major assets in Canada, the U.S., and Australia.

The company has also started building hybrid solar-battery storage facilities, adding another vertical to its revenue stream.

At writing, TransAlta Renewables stock is trading for $18.23 per share, and it boasts a juicy 5.18% dividend yield. The company's share prices are down by almost 20% year to date, owing largely due to the broader pullback in the renewable energy industry this year. However, the company looks well positioned to provide stellar long-term returns while offering reliable shareholder dividends.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is a $20.78 billion market capitalization company that owns and operates an extensive network of pipelines responsible for transporting commodities produced by its peers in the energy industry. The windfall of profits in 2021 due to higher energy prices has led to stronger balance sheets for energy producers, translating to good news for the midstream services provider.

At writing, Pembina Pipeline stock is trading for $37.78 per share, and it boasts a juicy 6.67% dividend yield. The company expects significant cash flows from its operations to exceed its capital expenses and dividends. It means that the company’s dividend payouts to its investors should be safe for the foreseeable future.

Foolish takeaway

The current downturn in the stock market might have impacted the share prices for these two TSX stocks. Typically, a downside correction could be worrisome for investors relying on capital gains to generate wealth growth. However, the same situation could prove useful for Canadian retirees who want to capture attractive dividend yields for a substantial return on their investment.

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TransAlta Renewables stock and Pembina Pipeline stock could be ideal additions to your retirement income portfolio due to the juicy dividend yields and reliable payouts the two TSX stocks offer.

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Date
2025/06/28
Date Created
2021/12/21
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