Wherever the Market Goes, I'm Buying These Top TSX Stocks

Description

The recent market volatility has been quite brutal. Some tech stocks even halved in value, while some of the other growth stocks have seen a sizeable correction. However, at the same time, some defensive TSX stocks have been quite resilient amid this selloff. Their stable dividend payments and less-volatile stocks played out well and outperformed markets recently. Here are three of them.

Fortis

Utility stocks are generally called "widow and orphan" stocks because of their stable dividends and slow stock price movements. And due to these two qualities, utility stocks like **Fortis** (TSX:FTS)(NYSE:FTS) have outperformed growth stocks in the recent tech selloff.

Fortis earns stable revenues, and that's why it pays stable dividends. Whether it be recessions or superior economic growth, utilities keep growing slowly but stably. Fortis currently yields 3.6%, which is in line with TSX stocks at large.

However, where it stands tall is its long history of dividend increases. Fortis has increased shareholder payouts for the last 48 consecutive years. Fortis aims to increase its dividend by 6% per year through 2025.

Utilities could underperform on the back of potential interest rate hikes. If you are looking for a consistent dividend income for a very long term, Fortis could be a smart choice.

Suncor Energy

You are missing out on something big if you avoid energy stocks this year. Canadian energy stocks have more than doubled in the last 12 months, spurred by rallying oil and gas prices. One energy stock that seems well placed from its current levels is **Suncor Energy** (TSX:SU)(NYSE:SU).

Suncor Energy stock notably lagged peers in this period, gaining only 60%. However, as its financial performance, mainly at the downstream segment, gains momentum, the stocks could see more action.

Suncor Energy doubled its dividends last year and now it yields a handsome 4.6%. That's higher than its peers' average. Importantly, this year, investors could see more cash distribution amid higher expected free cash flow growth.

Suncor Energy could stand tall among peers because of its juicy yield, strong earnings prospects, and bullish environment around energy commodities.

Toronto-Dominion Bank

Another Canadian name that offers reliable dividends is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). The country's second-biggest bank has been paying dividends for the last 164 consecutive years.

Banks could see their net interest margins expanding amid rising interest rates this year. This could bode well for their earnings growth. But, on the flip side, higher rates could also deter borrowers, denting the loan growth.

Toronto-Dominion Bank seems well placed to play the economic expansion, mainly because of its scale and significant presence south of the border.

Growth stocks come with relatively higher risks. However, defensive stocks like these offer stability and a superior risk/reward proposition. In addition, with their stable dividends, they create robust wealth in the long term.

TD stock is currently trading at a dividend yield of 3.5%, which is in line with its peers. It has returned a market-beating 50% in the last 12 months. Potential earnings expansion and a not-so-stretched valuation indicate more upside in TD stock going forward.

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