



Forget Volatility: 3 All-Weather TSX Stocks for Steady Income

Description

Concerns around inflation, an expected increase in interest rates, and supply-chain headwinds keep the volatility elevated in the market. Amid volatility, it's prudent to concentrate on top dividend-paying companies to generate steady income.

This article will zoom in on three such all-weather stocks that will add stability to your portfolio amid wild market swings and consistently generate steady dividend income.

Fortis

Thanks to its low-risk and regulated assets, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) emerges as a top investment to add stability to your portfolio amid heightened volatility in the market and generate steady income. Fortis generates predictable cash flows that remain immune to economic cycles and drive dividend payouts.

Notably, Fortis operates 10 regulated and diversified businesses that account for about all of its earnings, indicating that investors can rely on it amid all market conditions. Meanwhile, the company remains focused on expanding its high-quality earnings base and projects its rate base to grow by 6% annually in the medium term.

This indicates that Fortis could continue to generate solid cash flows and boost its shareholders' value through higher dividend payments. Looking ahead, Fortis's management expects to grow the dividend by 6% per annum through 2025. Fortis's stable business, visibility over future cash flows, expansion of renewables capabilities, and consistent dividend growth make it [an all-weather stock](#).

Enbridge

With its diverse cash flows, contractual agreements, and a dividend-growth history, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) emerges as a natural choice to generate reliable income amid all market conditions. Enbridge uninterruptedly increased its dividend for 27 years, which indicates that the

company is capable of returning a substantial amount of capital to its investors, even in the turbulent market.

Its dividend has a CAGR of 10% over the past 27 years. Further, it offers a well-protected and [high yield of 6.5%](#).

It's worth noting that the ongoing strength in its core business, recovery in mainline volumes, expansion of renewables capacity, and acquisitions will likely be supportive of its cash flows and, in turn, its payouts. Furthermore, its strong secured projects and revenue escalators will drive its distributable cash flows.

The company projects 5-7% growth in its distributable cash flows in the medium term, implying that its dividend could grow at a low- to mid-single-digit rate in the future years.

TC Energy

TC Energy's ([TSX:TRP](#))([NYSE:TRP](#)) growing base of regulated and contracted assets and consistent dividend hikes make it an all-weather income stock. For context, TC Energy has increased its dividend for more than 20 years. Meanwhile, its dividend has grown at a CAGR of 7% during the same period.

It's worth noting that TC Energy generates approximately 95% of its earnings from the regulated and contracted assets, implying that its payouts are safe. Moreover, its multi-billion-dollar capital program, long-term take-or-pay contracts, and higher asset utilization rate will likely drive its earnings and dividends.

TC Energy's dividend yield stands at about 5.4% at the current price levels, while it forecasts annual dividend growth of 3-5% in the future years. Overall, its high-quality assets, resilient cash flows, visibility over future dividend growth, and well-protected payouts support my outlook.

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