



3 TSX Stocks to Earn Stable Passive Income

Description

Despite the volatility in the stock market, there are plenty of opportunities for investors to generate a worry-free passive income. In this article, we'll dive deeper into three such stocks that have resilient cash flows and well-protected payouts to earn steady passive income, irrespective of wherever the market goes.

Fortis

Wherever the market moves, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock is a top investment to generate [stable passive income](#). The company operates a low-risk utility business that remains immune to the economic cycles and consistently generates predictable cash flows.

Thanks to its high-quality asset base and resilient earnings, Fortis has returned a significant amount of capital to its shareholders and raised dividends for 48 years in a row.

Looking ahead, Fortis's 10 regulated and diversified businesses will likely account for the majority of its earnings, implying that its payouts are very safe. Furthermore, Fortis expects to expand its rate base by a CAGR of 6% in the medium term, which is likely to drive its high-quality earnings base and, in turn, support higher dividend payments.

Thanks to its resilient business and growing rate base, Fortis expects to hike its dividends by about 6% per annum through 2025. Meanwhile, this all-weather stock offers a dividend yield of 3.7%.

TC Energy

Like Fortis, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is another reliable stock for investors to generate steady passive income. It's worth noting that TC Energy's 95% of income is derived from the regulated and contracted assets, which easily covers its payouts and supports dividend growth.

Notably, TC Energy increased its dividends by about 7% per annum since 2000. Further, the company

plans to raise its future dividends by 3-5% in the coming years.

TC Energy's solid asset base, higher utilization rate, long-term agreements, and productivity savings will likely support its cash flows. Further, its multi-billion-dollar, secure capital program, revenue escalators, and additional sanctioned projects will likely expand its earnings base and drive increased dividend payments. TRP stock offers a high dividend yield of 5.5% at current levels.

Algonquin Power & Utilities

Its conservative business mix, growing rate base, and strong earnings make **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) a top investment to generate a [worry-free passive income](#) that would grow over time. This utility company increased dividends by 10% per annum in the last 11 years and is positioned well to grow it further in the coming years.

Algonquin Power & Utilities plans to expand its rate base and projects it to grow at a CAGR of about 14.6% in the medium term. Thanks to its growing rate, Algonquin Power & Utilities's adjusted earnings are forecasted to increase at a CAGR of 7-9% through 2026.

Overall, Algonquin's high-quality regulated assets, rate base growth, and expansion of renewables capacity augur well for future dividend growth. Further, opportunistic acquisitions will likely accelerate its growth. Algonquin Power offers an attractive yield of 4.9%, which is well protected. Moreover, its payout ratio of 80-90% of normalized earnings is sustainable in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/06/30

Date Created

2022/02/25

Author

snahata

default watermark

default watermark