



3 TSX Stocks for Steady Income Amid Volatility

Description

The fear of inflation, expected hike in interest rates, and the Russia/Ukraine crisis have increased the volatility in the stock market. Amid the uncertainty, top-quality dividend stocks emerge as attractive investments to generate steady income. So, if you are searching for top stocks that could deliver stable income and add protection to your portfolio, consider adding the shares of these Canadian companies.

Fortis

Utility companies are popular for their defensive business and regular dividend payments. Notably, utility companies own low-risk regulated assets that consistently generate predictable cash flows, supporting their dividend payouts. Among the utility stocks, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is my top bet, and there are good reasons for that.

Fortis owns 10 diversified regulated businesses through which it generates 99% of its earnings, implying that its payouts are very well protected. Further, Fortis has a very rich history of growing its dividend — 48 years in a row. Its conservative business and growing dividend make it a perfect stock to generate [steady income](#) irrespective of where the market goes.

Looking ahead, Fortis's high-quality assets could continue to generate strong cash flows. Meanwhile, it expects its rate base to increase by 6% per annum over the medium term, which will likely expand its earnings base and, in turn, drive its dividend. Fortis forecasts its dividends to grow by 6% per annum during the same period, while it offers a yield of 3.6%.

AltaGas

Thanks to the balanced portfolio of regulated and midstream assets, **AltaGas** ([TSX:ALA](#)) is another solid stock for consistent dividend income. It raised its dividend by 4% in 2021. Moreover, it announced a 6% increase in its dividend for 2022.

Looking ahead, AltaGas remains confident of enhancing its shareholders' returns through higher

dividend payments. Notably, the company sees its dividend growing at a CAGR of 5-7% through 2026, which will be backed by continued rate base growth and strength in the base business.

AltaGas projects its rate base to grow by 8-10% per annum through 2026, which would expand its earnings base and easily cover higher dividend payments. Meanwhile, a rise in global exports volumes and improving cost structure will support its growth. AltaGas offers a dividend yield of 3.5% at current levels.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is the final stock on this list that offers a [reliable dividend](#) and has clear visibility over future payouts. Its high-quality regulated and contracted assets generate strong cash flows that support its growth and dividend payments.

For the past two decades, TC Energy's dividend has a CAGR of 7%. Moreover, the company is confident to hike its future dividend by 3-5% per annum in the coming years.

Its growing asset base, higher asset utilization rate, contractual framework, ongoing transition to green energy, and secured capital projects will likely drive its profitability. Further, revenue escalators, additional sanctioned projects, and productivity savings will likely cushion its earnings. TC Energy is a Dividend Aristocrat and offers a high dividend yield of 5.1%.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:TRP (Tc Energy)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:FTS (Fortis Inc.)
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