



2 Canadian Dividend Aristocrats to Buy and Hold Forever

Description

Canadian equity markets are back to their old ways, as the **S&P/TSX Composite Index** hovers near its new all-time high. Entering arguably overbought territory, the TSX is close to its peak, despite [higher commodity prices](#) and rising interest rates.

The ongoing war between Russia and Ukraine, subsequent sanctions against Russia, and rising inflation rates are still creating an uncertain environment in equity markets. Given the uncertainty, it might be useful to consider [dividend investing](#) to secure stable cash flows.

Canadian Dividend Aristocrats are income-generating assets with a reputation for providing shareholders with rising dividend payouts each year for several years. Today, I will discuss two defensive TSX dividend stocks with long dividend-growth streaks that you could consider for this purpose.

Fortis

Utility businesses are a shining example of businesses that can continue to thrive during volatile market environments. **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is one such stock to consider adding to your investment portfolio.

Fortis is a \$28.63 billion market capitalization utility holdings company that owns and operates several utility businesses across Canada, the U.S., Central America, and the Caribbean. Most of the company's revenues come through rate-regulated and long-term contracted assets.

Fortis is a Canadian Dividend Aristocrat with a 48-year dividend-growth streak. The predictable cash flows generated by its low-risk business model allow Fortis to fund its capital programs and grow shareholder dividends comfortably. Fortis stock trades for \$60.54 per share at writing, and it boasts a juicy 3.53% dividend yield.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is a \$10.08 billion market capitalization utility business headquartered in Calgary. It also runs a low-risk utility, energy infrastructure, and retail energy business that allows it to generate stable and reliable cash flows. Canadian Utilities is a Canadian Dividend Aristocrat with the longest dividend-growth streak of 49 years.

The company's cash flows allow it to invest in its capital programs comfortably. 2021 saw Canadian Utilities make a capital investment worth \$1.25 billion, and it plans to spend around \$2 billion in the next 24 months to expand its rate base.

Greater revenues in the coming years through its capital programs position the company well to deliver further dividend hikes for years to come. Canadian Utilities stock trades for \$37.56 per share at writing, and it boasts a juicy 4.73% dividend yield.

Foolish takeaway

Commodity prices are high right now, and interest rate hikes will take some time to cool down inflation. There is no telling how the geopolitical situation will develop as the war between Russia and Ukraine continues.

Stocks are near all-time highs right now, but things could change in a matter of days and trigger a selloff that sends the TSX on a roller coaster again.

If a downturn happens, it could spell bad news for stock market investors who did not prepare for the possibility. It pays to prepare your portfolio with defensive assets that could mitigate losses during volatile market environments.

Fortis stock and Canadian Utilities stock are two [income-generating assets](#) that could be ideal for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:CU (Canadian Utilities Limited)
3. TSX:FTS (Fortis Inc.)

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