



3 TSX Stocks Perfect for Reliable Retirement Income

Description

High-quality TSX dividend stocks offer regular and reliable income for your retirement. These companies have successfully operated through the recession and financial crisis and continuously paid dividends for over two decades. Further, these companies have been growing their dividend at a healthy pace, thus acting as a hedge against inflation.

Let's delve into three high-quality stocks that could be reliable bets for retirees.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) offers [worry-free dividend income](#). It operates a low-risk, regulated business that generates predictable and growing cash flows, implying that its payouts are safe. Further, its growing rate base indicates that its dividend will likely increase in the future.

This utility company has a solid track record of consistent dividend payments. For context, Fortis has paid and raised its dividend for 48 years. Further, it projects a 6% annual growth in its dividend through 2025.

With its diversified and regulated businesses, Fortis is positioned well to deliver solid free cash flows that support its projections. Further, its rate base is expected to increase at a CAGR of 6% through 2026, which will drive its high-quality earnings base and indicate higher payouts in the future. Also, its continued investments in infrastructure, focus on expanding its renewables portfolio, and strategic acquisitions bode well for growth.

Fortis offers a well-protected dividend yield of 3.3% at current levels with clear visibility over future payouts. This makes Fortis a must-have stock for generating reliable and regular income.

Toronto-Dominion Bank

Large Canadian banks have been regularly paying dividends for decades, and **Toronto-Dominion Bank**

[\(TSX:TD\)](#)[\(NYSE:TD\)](#) is one of them. This banking giant has been continuously paying dividend for 164 years. Further, its dividend increased at a CAGR of 11% (the highest growth rate among peers) in the past 27 years.

Notably, its dividend is supported by its solid earnings base. Toronto-Dominion Bank's adjusted earnings have grown at a CAGR of 9.5% in the last five years. Further, its diversified revenue base and operating leverage indicate that the bank's earnings could continue to increase in future years.

The recovery in economic activities is expected to drive its loans and deposits volumes. Moreover, a higher interest rate will likely support its margins. Further, its improving efficiency, strong balance sheet, and high-quality asset base would support its earnings and payouts.

Overall, Toronto-Dominion Bank's stellar dividend payment record, sustainable payout ratio, and ability to grow earnings make it a solid investment for retirees to generate regular income.

TC Energy

TC Energy [\(TSX:TRP\)](#)[\(NYSE:TRP\)](#) is a solid stock to [generate regular income](#). It's worth noting that this energy infrastructure company has been growing its dividend at a CAGR of 7% for about 22 years. Meanwhile, it projects a 3-5% annual increase in its dividend for the future.

TC Energy's contracted and regulated asset base and high utilization rate supports its cash flows and, in turn, its payouts. Looking ahead, its growing asset base, \$24 billion secured capital projects, revenue escalators, and productivity savings position it well to deliver strong earnings growth and enhance its shareholders' returns. It offers a quarterly payout and is yielding 5% at current levels.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:FTS (Fortis Inc.)
5. TSX:TD (The Toronto-Dominion Bank)
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Date

2025/08/20

Date Created

2022/04/14

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