Retirees: 5 TSX Stocks for Your Income Portfolio

Description

The current volatility in the market amid increased macro and geopolitical headwinds has made investing in stocks challenging. However, several TSX-listed companies have consistently returned cash to their shareholders through regular dividend payments. Also, top-quality dividend stocks are relatively less volatile, making them attractive amid the current market scenario. So, for retirees who plan to generate a steady inflow of cash irrespective of the market conditions, here are my top five picks.

It's worth noting that these companies have businesses that generate steady cash flows. Further, they have clear visibility over future cash flows and payouts.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) has raised dividend for 48 consecutive years. Furthermore, it expects rate base growth to drive its future payouts at a decent pace. Notably, it projects its rate base to grow at a CAGR of 6% over the next five years, which would help the company to increase its dividend by 6% per annum.

Fortis operates a rate-regulated business that ensures steady cash flows and makes it immune to market economic cycles. Moreover, its growing renewables portfolio bodes well for future growth. It yields 3.4% at current price levels, while its payouts are very well protected.

AltaGas

With its strong portfolio of regulated and midstream assets, **AltaGas** (TSX:ALA) is another top choice to generate regular income for your retirement. It announced a 6% hike in its dividend for 2022. Meanwhile, it projects 5-7% annual growth in its dividend through 2026.

It projects its rate base to increase at a CAGR of 8-10% over the next five years, which will expand its earnings base for future payouts. Further, the ongoing strength in its midstream business and higher export volumes will support its financials and dividend payments. AltaGas stock offers a dividend yield of 3.6% at current levels.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) generates nearly 95% of EBITDA from the regulated and long-term contracted assets. Thanks to this, TC Energy has increased its dividend for 22 years. Moreover, TC Energy expects to grow its dividend by 3-5% annually in the coming years.

TC Energy's conservative payout ratio, solid long-life asset base, $24 billion secured projects, and energy transition opportunities indicate that it could continue to return solid cash to its shareholders in the coming years. TC Energy stock is benefitting from increased energy demand and yields more than 5%.

Canadian Utilities

Canadian Utilities (TSX:CU) has the longest track record of dividend growth by any Canadian corporation. It has raised dividend for 49 years, and its solid portfolio of rate-regulated assets indicates that the company could continue to increase it further in the coming years.

It's worth noting that Canadian Utilities continues to invest in the regulated and contracted assets that increase its high-quality earnings base and support its payouts. It yields 4.6%, which is safe given its low-risk business and growing rate base.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has been growing its dividend at a CAGR of 10% since 1995. Meanwhile, its diverse cash flows streams, a multi-billion secured capital program, contractual arrangements, inflation-protected revenues, recovery in mainline volumes, and strength in the gas business indicate that Enbridge is well positioned to enhance its shareholders' return through dividend hikes.

Enbridge sees a 5-7% annual growth in its distributable cash flow per share through 2024, implying that investors could expect its dividend to grow at a similar pace. It offers a high yield of 5.9%, while its payout ratio is sustainable.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

5. TSX:CU (Canadian Utilities Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. 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

Date
2025/08/21
Date Created
2022/05/09
Author
snahata