3 Top Dividend Stocks to Buy Amid Increased Market Uncertainties

Description

Dividend stocks are some of the safe places to take shelter when broader markets turn rough. They are less volatile than stocks at large and provide regular income, which cushions against market shocks. Canadian markets have a few top-notch dividend stocks that have time and again proven their resilience in such markets. As a result, conservative investors should consider these TSX names for their long-term portfolios.

Fortis

It does not matter if the economy is going through a recession or an expansion, utility stocks like **Fortis** (TSX:FTS)(NYSE:FTS) provide stability in almost all kinds of markets. That's because utilities do not see demand for their services fluctuate with economic cycles.

They are mature, slow-growing companies with fair visibility of their earnings. Fortis has increased its net income by 16% CAGR in the last decade, outperforming peers. This financial growth was reflected in its stock performance, and it returned 170% in the same period. The **TSX Composite Index** returned 70% in this period.

FTS stock currently yields 3.5%, which is in line with TSX stocks. That means a $1,000 invested in FTS stock will generate $35 in dividends every year. The dividend amount will increase every year as the company grows its profit, based on its long payout history.

Suncor Energy

Canadian energy has been on fire since mid-2020 amid the rallying oil and gas prices. One name gradually catching up with its peers is **Suncor Energy** (TSX:SU)(NYSE:SU).

Canada's oil sands giants reported solid quarterly earnings in Q1 2022, leading to a 12% increase in its quarterly dividends. So, it will now pay $1.88 per share this year, indicating an attractive yield of 4.1%.

Suncor Energy stock is up more than 50% this year, largely in line with its peers. Moreover, the stock will likely continue to soar higher, driven by higher energy prices and its earnings growth potential.

The integrated energy titan halved its dividends during the pandemic in 2020. However, Suncor is on a much better footing with relatively low leverage and a strong liquidity position today. Moreover, continued strength in oil and gas prices will likely drive more windfall gains for energy producers, strengthening their balance sheet and driving shareholder returns.

Toronto-Dominion Bank

Among Canada's Big Six, the second-largest **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) looks well placed to outperform in the long term. It currently yields a decent 4%, close to peers' average.

Importantly, banks will likely see higher earnings growth amid rapidly rising interest rates in the next few years. Higher rates would increase their net interest margins, enhancing their bottom lines.

TD looks appealing because of its scale, a significant presence in the U.S., and solid credit profile. In addition, it currently has a strong liquidity position. It will be interesting to see if TD increases its dividends when it reports quarterly earnings by the end of this month.

TD stock has returned 225% in the last 10 years, including dividends. TSX stocks, on average, returned 60% in the same period.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:FTS (Fortis Inc.)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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. vinitkularni20

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/25
Date Created
2022/05/13
Author
vinitkularni20