



3 Safe Stocks to Begin Your Investment Journey

Description

Earlier this month, the Labor Department announced that the U.S. Consumer Price Index rose by 8.6% in May amid higher energy and food prices. To stem inflation, the Federal Reserve of the United States raised interest rates by 0.75%. The rising prices could eat into consumer spending, thus impacting growth. Higher interest rates and tightening monetary policies could hurt economic growth in the coming quarters. Given the uncertain outlook, the equity markets could remain volatile over the next few months.

Meanwhile, if you are planning to begin your investment journey in this challenging environment, here are my three [safe bets](#).

Waste Connections

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is a waste management company that collects, transfers, and disposes of non-hazardous wastes. It also recycles these waste products. Given the essential nature of its business and its operations primarily focused on secondary and exclusive markets, the company generates stable and reliable cash flows irrespective of the state of the economy.

The company makes strategic acquisitions to expand its footprint and strengthen its market share in specific markets. During the first quarter, the company has made acquisitions that could boost its top line by US\$175 million annually. It has a robust acquisition pipeline. With the company also servicing exploration and production companies, the rising energy demand could boost its financials.

Notably, Waste Connections has raised its dividend at a CAGR of around 15% since 2010, which is encouraging. So, considering its stable cash flows and healthy dividend growth, I believe Waste Connections is an excellent buy in this volatile environment.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) meets the energy needs of 3.4 million customers in Canada, the United States, and the Caribbean countries. The company's financials are stable, with around 93% of its assets involved in the low-risk transmission and distribution business. Supported by its solid underlying business, the company has delivered average total shareholder returns of over 13%, including a record dividend hike for 48 consecutive years.

Meanwhile, Fortis has allocated \$20 billion for the next five years to grow its rate base by \$10 billion at a CAGR of 6%. Supported by the cash flow growth from these investments, the company's management expects to raise its dividends at an annualized rate of 6%. Considering its low-risk business, growth prospects, and excellent track record of dividend hikes, Fortis could strengthen your portfolio in this uncertain outlook.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) owns and operates 229 healthcare properties across several countries. Given its highly defensive portfolio, long-term agreements, and government-backed tenants, the company's occupancy and collection rate remain higher, thus delivering stable and reliable cash flows. A substantial part of its rent collection is inflation-indexed, which is encouraging.

The company's growth prospects look healthy, with a project pipeline of \$2 billion. It recently acquired 27 properties in the United States for \$765 million. Additionally, the company is working on expanding its footprint in the United Kingdom, Australia, and Canada. Meanwhile, the company also pays a monthly dividend of \$0.0667/share, with its forward yield at a juicy 6.46%. So, considering its low-risk business and high dividend yield, I believe NorthWest Healthcare is a good stock to begin your investment journey.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:WCN (Waste Connections)

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