



Beginners: Buy These 3 Safe Canadian Stocks Amid Rising Volatility

Description

The Russia-Ukraine war has disrupted supply chains, thus driving food and fuel prices. Although central banks worldwide have taken measures to stem inflation, analysts expect a gradual price decline. The inverted yield curve has also raised concerns about recession. However, if you are new to equity markets and want to begin your investment journey with a long-term perspective, here are my three top picks that are [less susceptible to market volatility](#).

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) operates 10 utility assets, meeting the electric and natural gas needs of around 3.4 million customers. The company's financials are stable and reliable as regulated assets forms around 99% of its asset base. Supported by its stable and reliable cash flows, the company has been raising its dividend for the last 48 years. With a quarterly dividend of \$0.535, its forward dividend yield stands at 3.53%.

Additionally, Fortis has committed to invest around \$20 billion over the next five years, including \$3.8 billion in clean energy. These investments could expand the company's rate base at an annualized rate of 6%. The rate base growth could boost its financials in the coming quarters, thus allowing it to maintain its dividend growth. Meanwhile, the company's management has announced to raise its dividend at a CAGR of 6% through 2025. Considering all these factors, I believe Fortis is an excellent stock to start your investment career.

BCE

With growing digitization and increased adoption of remote working and learning, the demand for telecommunication services could rise. These companies generate robust cash flows, thanks to their recurring revenue. So, I have chosen **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), one of the three top telecom players in Canada, as my second pick.

BCE has accelerated its capital investment to expand its 5G and broadband connectivity across

Canada. Supported by these investments, the company hopes to provide 5G service to 80% of the Canadian population by the end of this year while adding 900,000 new broadband connections. The company could also witness strong growth in its roaming revenue and media segment amid the easing of pandemic-infused restrictions.

Supported by its strong cash flows, BCE has raised its dividend by over 5% annually for the last 14 years. Meanwhile, its forward dividend yield currently stands at 5.8%. So, given its stable cash flows, solid track record, and high dividend yield, I am bullish on BCE.

Algonquin Power & Utilities

Supported by its strong underlying business and strategic acquisitions, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has returned over 400% in the last 10 years. The company operates low-risk utility assets and renewable power-generating facilities. Meanwhile, it sells most of its power through long-term power-purchase agreements, thus delivering stable and predictable cash flows. Supported by these stable cash flows, the company has raised its dividend for the previous 12 years, while its forward yield stands at 5.42%.

Meanwhile, continuing its acquisition strategy, Algonquin Power & Utilities has acquired New York American Water Company this year and is working on completing the New York American Water Company acquisition deal. It has committed to investing around \$8 billion to expand its utility and renewable assets through 2026. So, given its high growth potential and healthy dividend yield, I believe Algonquin Power & Utilities is an ideal buy in this volatile environment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)
6. TSX:FTS (Fortis Inc.)

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. rnanjapla

Category

1. Dividend Stocks
2. Investing

Date

2025/08/15

Date Created

2022/07/13

Author

rnanjapla

default watermark

default watermark