3 Cheap TSX Stocks That Pay You Cash

Description

Finding the right stock to invest in the current market conditions can be daunting. However, given the continued rise in the cost of living, sitting on idle cash won't help you either. Thus, investing in stocks of stable businesses that consistently pay you cash allows you to generate steady income and grow your wealth through their inflation-beating returns.

Here are three TSX stocks that are relatively stable, offer reliable income, and consistently generate solid shareholder returns. Further, these stocks are cheap and well within investors' reach.

Algonquin Power & Utilities

Utility company **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) is low-volatility and safe stock that consistently pays you cash. For context, Algonquin's five-year total shareholder returns stand at 101%. Moreover, it has been paying and growing its dividend at a CAGR of 10%.

Its low-risk, regulated business generates predictable and growing cash flows that support its growth initiatives and payouts. Moreover, its long-term contracted assets indicate that its payouts are safe.

Its strong capital program will drive its rate base and earnings growth. Moreover, strategic acquisitions will likely accelerate its growth. Algonquin expects its rate base to grow at a mid-teens rate per annum through 2026. Moreover, its earnings are projected to increase at a high single-digit rate annually during the same period.

Its solid business, resilient earnings and cash flows, high yield of 5.4%, and focus on returning cash to its shareholders make Algonquin an attractive investment amid all market conditions.

Telus

Telus (TSX:T)(NYSE:TU) has created solid long-term value for its shareholders. In the last 21 years, Telus has generated a total shareholder return of 700%. Its ability to consistently generate profitable growth allows it to return significant capital to its shareholders, maintain a robust balance sheet, and invest in broadband technologies.

Telus has returned $21 billion to its shareholders since 2004 through its dividend-growth program and share buybacks. Moreover, its resilient business, growing customer base, strong ongoing investments in the 5G network expansion, and diversified revenue position it well to deliver strong shareholder returns.

Telus expects to grow its dividend by 7-10% per annum through 2025. Moreover, it offers an attractive yield of 4.7%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is among the top dividend-paying companies listed on the TSX. It has been paying dividend for 67 years. Moreover, since 1995, its dividend has increased at a CAGR of 10%. Its strong payout history reflects the strength of its business model and the resiliency of its cash flows.

Its attractive portfolio of conventional and renewable assets, diversified cash flows, and contractual arrangements support its cash flows and dividend payments. Enbridge is benefitting from the projects placed recently into service, a rebound in energy demand, and higher commodity prices.

Moreover, its multi-billion capital program, focus on modernizing its assets, expansion of renewable power capacity, and acquisitions bode well for growth. Furthermore, productivity savings will likely cushion its earnings and distributable cash flows. It expects its distributable cash flows to grow at a mid-single-digit rate in the coming years, which should support its payouts.

Investors can earn a lucrative yield of 6.3% by investing in Enbridge stock.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:T (TELUS)

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