



TSX Utility Stocks Are Hot: These 2 Are Great Investments Today

Description

Ever since the market environment has worsened considerably, investors have been looking to shore up their portfolios by adding high-quality and reliable stocks to their portfolios. That's why some of the hottest stocks on the **TSX**, which continue to see strong demand from investors, are ultra-safe utility stocks.

Utility stocks are attractive for several reasons. They are extremely defensive due to the fact that the services they offer are essential and regulated by the government.

However, those defensive and reliable qualities don't just allow investors to have more peace of mind in this uncertain environment.

They also make utilities some of the best dividend stocks since their cash flow is so predictable. Furthermore, they are excellent dividend growth stocks since their future growth potential is also predictable.

And because they are low-risk and attractive passive-income generators, in these market environments, they are also some of the [least-volatile](#) stocks you can buy.

So, if you're looking to shore up your portfolio, here are two top TSX utility stocks that are excellent investments to make today.

One of the best utility stocks to buy for reliable dividend growth

One of the largest, most diversified and best utility stocks on the TSX today is **Emera** ([TSX:EMA](#)). Emera has operations in several jurisdictions across North America, including six different countries, as it has a significant presence in the Caribbean.

In general, utilities are already low risk, but when they diversify geographically like Emera, it helps to lower the risk even more. In addition, Emera's attractive, because it offers a mix of electricity and gas services.

However, aside from its operations, the stock is reasonably valued, which is crucial. Oftentimes investors may overpay for these ultra-safe utility stocks just to help shore up their portfolios and add a reliable yield.

However, today Emera trades at a forward price-to-earnings ratio of 20 times and offers an attractive dividend [yield](#) of 4.3%.

In addition, according to its guidance, Emera is expected to continue growing that dividend by 4-5% each year through 2024. Therefore, if you're looking to add a high-quality utility stock or just a top defensive investment to your portfolio in this environment, Emera is one of the best stocks to consider today.

A top utility company that also offers green energy exposure

In addition to Emera, another high-quality utility stock to consider is **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). Algonquin is another one of the best utility stocks to buy on the TSX for numerous reasons.

First, it's well diversified like Algonquin, operating in several states and offering water utility services in addition to electricity and gas.

In addition, though, Algonquin also has a ton of renewable energy generating assets, which is an industry that's almost just as reliable and defensive as utilities, plus it offers massive long-term growth potential.

On top of its high-quality operations, though, Algonquin also trades at an attractive valuation, even cheaper than Emera at just 17.2 times its forward earnings. Not only that, but its dividend, which is also increased each year, offers an attractive yield of more than 5.3%.

Therefore, if you're looking to buy top TSX utility stocks as uncertainty picks up and risk increases in the economy, Algonquin is one of the best and safest stocks you can consider.

CATEGORY

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3. TSX:EMA (Emera Incorporated)

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