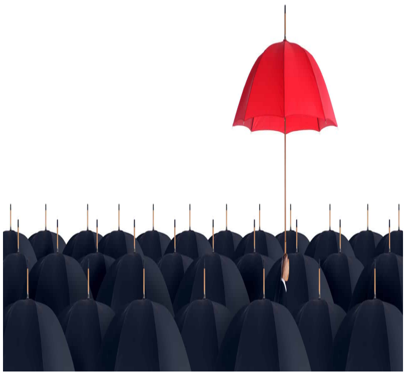

Wherever the Market Goes, 3 Safe TSX Stocks That Pay You Cash

Description

Investors lowered their exposure to equity in the first of 2022 amid fears of an economic slowdown. This led to a correction in several TSX stocks. Looking ahead, market conditions remain uncertain, and this could keep the volatility elevated. Despite a challenging investing environment, investors can earn steady cash through relatively safer dividend-paying stocks and easily navigate the volatility.

Let's delve deeper into three TSX stocks that will pay you cash irrespective of where the market moves.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a reliable and low-volatility stock that pays you cash, despite wild marked swings and a challenging macro environment. My confidence in Fortis's payouts stems from its stellar dividend payment and growth history. Fortis has paid and increased its dividend for 48 consecutive years. What's more? Fortis is targeting 6% annual growth in its dividend through 2025.

Its dividend-growth guidance appears achievable given its solid asset base that generates growing and predictable cash flows. Fortis operates a low-risk utility business with rate-regulated assets. Further, through its $20 billion capital investments, Fortis expects to expand its rate base (assets earning a specific rate of return).

The company projects its rate base to grow at a CAGR (compound annual growth rate) of 6% through 2026 and reach $41.6 billion. The expansion of its rate base augurs well for its earnings and payouts. Further, its focus on expanding the renewable power-generation portfolio should support its growth.

Investors can earn a well-protected dividend yield (annual dividend relative to the current market price) of 3.5% by investing in Fortis stock.

BCE

BCE (TSX:BCE)(NYSE:BCE) is Canada's leading communications company. As communications services are deemed essential, BCE's business remains relatively resilient to economic cycles. Further, its strong competitive positioning in the internet and TV market, large subscriber base, multiple distribution channels, and expansive network supports growth and dividend payouts.

Thanks to its solid business, BCE consistently enhances its shareholders' value through dividend growth. BCE has increased its dividend by 5% for 14 consecutive times since 2008. This reflects the strength of its cash flows.

Further, its low target payout ratio of 65-75% of free cash flow is sustainable in the long term and allows it to grow its dividend and fund growth opportunities. BCE offers a reliable and high dividend yield of 5.8%.

Enbridge

If you're planning to generate steady cash through stocks, invest in **Enbridge** (TSX:ENB)(NYSE:ENB). Enbridge has increased its dividend for 27 consecutive years. Further, its dividend grew at a CAGR of 10% during the same period. Enbridge's solid track record of dividend payments and growth highlights the resiliency of its cash flows and its solid business model.

Its diversified cash flow streams, inflation-protected EBITDA, a solid mix of conventional and renewable assets, and strong energy demand provide a solid base for earnings growth and will likely support its payouts. Further, its strong capital program and productivity enhancements will drive its distributable cash flow per share and dividend.

Investors can earn a solid dividend yield of 6.1% by investing in Enbridge stock at current price levels.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
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