



2 of the Safest Stocks on Earth to Buy Right Now

Description

Safety: it's the number one attribute that many of us are looking for. It means little volatility and lots of predictability. It also means resting safe in the knowledge that the value of our savings will be preserved. In recent months, the volatility in the TSX has reminded us that this is not a given. The potential for huge losses is always there, and capital preservation is of paramount importance. Thankfully, I know two of the safest stocks to buy for this exact thing.

Without further ado, let's discuss **Fortis** ([TSX:FTS](#)) and **BCE** ([TSX:BCE](#)) — stocks that offer all of this and more.

BCE: A telecom stock characterized by predictability and stability

BCE is Canada's largest telecom services company. It's also one of the safest TSX stocks you can own. Furthermore, currently yielding 5.8%, it's also a top dividend stock. So, what exactly makes BCE stock such a safe stock? Well, it comes down to the company's cash flow-generating power, its predictability, and its position in a very defensive, core industry.

First of all, let's look at BCE's cash flows in the last five years. In each of these years, BCE reported steady cash flows of between \$7.3 billion to \$8 billion. Free cash flow, which is operating cash flow minus capital expenditures, was over \$3 billion in each of the last five years. This went a long way in supporting BCE's stock price and its dividend. In fact, in the last five years, BCE's dividend has grown at a compound annual growth rate (CAGR) of 5.1%. Similarly, this [annual dividend-growth rate](#) has held up in the last 20 years as well.

Secondly, the telecom business is considered an essential business. It's quite insensitive to economic volatility and weathers economic downturns quite well. Within this industry, BCE has a leading position. For example, its broadband internet connection is the fastest and farthest reaching. Also, its fibre optic network is increasingly reaching more Canadians, further strengthening BCE's competitive position. This will support free cash flow generation for years to come.

Fortis: A utility stock to buy for supreme safety and income

The other one of the best stocks to buy right now for safety is Fortis, a 4.25% yielding regulated utility that's highly insensitive to the economic environment. This is what makes it one of the safest stocks on earth. Fortis has decades of stable and predictable earnings and cash flow in its history. This predictability and stability of earnings is a symptom of a company that provides essentials — energy to power our lives at home and at work.

In Fortis's latest quarter, earnings per share grew 5%. Also, its dividend was increased by 5.6%. In fact, Fortis is so safe, steady, and predictable that it has a 49-year history of consecutive dividend increases. Going forward, management is guiding for a 4-6% dividend increase through to the year 2027.

This growth will be supported by Fortis's \$22.3 billion five-year capital plan. The plan is the largest to date, and it includes investment in [new renewable generation](#) and energy storage to support longer-term growth away from coal. Furthermore, 83% of Fortis's spending will be on small and routine projects. The remainder of the spending is on straightforward infrastructure projects.

So, Fortis and its stock continues its slow and steady performance, just as it has done for decades. This stock remains one of the safest, best stocks to buy right now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:FTS (Fortis Inc.)

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