3 TSX Dividend Stocks Offering Big Income in an Uncertain Market

Description

Stock portfolios that were heavy in growth stocks were hit hard this year. Diversify into solid dividend stocks that offer big income in an uncertain market.

First up is **Emera** (TSX:EMA).

Emera stock

The regulated utility is a defensive dividend stock that provides some certainty in an uncertain market. It offers a juicy dividend yield of about 5.3% that provides a foundation for your long-term total returns. Because of the predictable nature of its business, investors can expect long-term stable earnings growth.

For the record, it has increased its dividend for about 15 years with a five-year dividend-growth rate of 5.2%. Emera earns about 63% of its earnings in U.S. dollars, and it continues to have 75% of its capital plan focused in Florida. So, the United States will remain a significant source of its earnings. Management anticipates its $8-9 billion capital plan to support an above-average rate base growth of 7-8% through 2025.

The utility expects to increase its dividend by 4-5% per year through 2025, which can allow it to reduce its payout ratio to healthier levels. Its trailing 12-month (TTM) payout ratio is 67% of net income available to common shareholders.

Second, we have **TELUS** (TSX:T).

TELUS stock

TELUS stock also offers a dividend yield of over 5%. Specifically, at $26.74 per share at writing, itoffers a yield of 5.2%. Like Emera, it's a defensive dividend stock that pays out eligible Canadiandividends that are favourably taxed for Canadian investors holding shares in non-registered accounts.

TELUS's three-year revenue-growth rate is about 7%, outperforming its big Canadian telecom peers. Its TTM payout ratio is 57% of its earnings. In other words, it offers good mix of income and growth.

The Canadian telecom has increased its dividend for about 18 years with a five-year dividend-growth rate of 6.7%. It tends to increase its dividend semi annually. Management expects that to continue with annualized dividend increases of 7-10% through 2025.

Finally, **TC Energy** (TSX:TRP) offers the fattest dividend among the three TSX stocks.

TC Energy stock

Like Emera and TELUS, TC Energy stock is a Canadian Dividend Aristocrat. Specifically, the large-cap energy infrastructure stock has increased its dividend for about two decades! Its 15-year dividend-growth rate is 6.9%.

It's also a defensive stock given the stability of its earnings and cash flows, which don't change much from energy price volatility. TRP's TTM payout ratio was 58% of its operating cash flow. Its asset base includes natural gas and liquids pipelines as well as power and storage facilities.

TC Energy enjoys an investment-grade S&P credit rating of BBB+. At $55.35 per share at writing, analysts think the stock is undervalued by about 15%. Additionally, it offers a high yield of 6.5%.

The Foolish investor takeaway

A bird in the hand is worth two in the bush. Forget about growth stocks and focus on getting safe dividend income in today's uncertain market. If you invest the same amount in the three stocks, you would get an average yield of just under 5.7%. Furthermore, you can expect a dividend-growth rate of at least 5%, which would beat the normal inflation rate of about 2%.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:T (TELUS)
3. TSX:TRP (TC Energy Corporation)

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