



3 Stable Dividend Stocks Yielding Up to 5.4%

Description

The last few weeks have been a trying time for investors. At least markets rallied on Friday, giving a bit of a relief.

I'm not convinced volatility is behind us. Ebola is still a huge threat, especially considering all the people traveling to and from the United States. Oil could continue to be weak as well, since major oil producers have made no indications of any production cuts. And Europe continues to teeter on the edge of a recession, with no end in sight.

Besides, there's one other reason why I'm convinced there's another leg down from here.

Sentiment.

Admittedly, I haven't been involved in the market for as long as some of you reading this, but I do have more than a decade as an investor under my belt. I've invested through good times and bad, but I never remember investors ever being so OK with the fact that stocks are down. It's almost like we're relieved that the downturn has happened so we can get back to the bull market.

This positive sentiment scares me. Not enough to stop buying stocks that I think are cheap, but just enough to have me looking at names that are more secure. Dividends are always important, but in a declining market it's even more imperative to get paid to wait.

Here are three safe dividend-paying stocks that will protect your capital during tumultuous times.

BCE Inc.

It doesn't matter how bad the economy gets, **BCE Inc.** ([TSX: BCE](#))([NYSE: BCE](#)) is going to keep on chugging along.

The company not only owns a mountain of some of Canada's best media assets, but it's also a huge player in wireless, and one of the country's largest providers of both television and Internet. And with its upcoming acquisition of **Bell Aliant**, it'll enjoy a dominant position in Atlantic Canada as well. That's

a nice secure position to be in when the market is tumultuous.

BCE also pays investors a generous 5.2% dividend yield, which tops Canada's so-called Big 3 telecoms and is among the top-yielding investments of the TSX 60. The company has delivered stellar dividend growth to investors, too, raising its annual payment by nearly 40% over the last five years.

Loblaw Companies Limited

Telecom is a go-to sector during times of market weakness. Consumer staples is another. So why not invest in the biggest grocer in the country, **Loblaw Companies Limited** ([TSX: L](#))?

Loblaw's management did a terrific job of shoring up one of the company's weaknesses with the acquisition of Shoppers Drug Mart in 2013. Shoppers is strong in urban settings, while Loblaw has most of its stores located in suburbia. Shoppers is focused on pharmacy, an area where Loblaw just hasn't been able to get much traction. It's a great fit, and once the kinks are ironed out, investors should see nice results from the combined company.

The company trades at a pretty reasonable 15.6 times estimated 2015 earnings, and pays a 1.8% dividend. But most importantly, if the market goes down, it remains likely to outperform the index. A dividend is just a nice bonus.

RioCan Real Estate Investment Trust

REIT prices are more tied to interest rates than overall market moves, making them ideal holdings for any portfolio. Not only is **RioCan Real Estate Investment Trust** ([TSX: REI.UN](#)) the largest Canadian-listed REIT, but it's also one of the best managed.

The company owns 330 properties and more than 84 million square feet of leasable area, approximately 85% of which is in Canada. No worries about tenant quality either, as most of Canada's largest retailers are the company's largest tenants. Plus it's so diversified that it has more than 340 different companies as tenants. Barring a total collapse of the Canadian economy, RioCan should keep on going, consistently paying investors generous dividends.

The stock currently yields 5.4%. Although the dividend isn't growing much anymore, it's still a good bet for investors looking for security.

These three stocks are solid choices, but we've got one more stock that'll be a great addition to your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:L (Loblaw Companies Limited)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

Category

1. Dividend Stocks
2. Investing

Date

2025/08/29

Date Created

2014/10/20

Author

nelsonpsmith

default watermark

default watermark