Dividend Investors: 5 Recession-Proof Stocks to Buy Now

Description

Low energy prices have hammered the Canadian economy, and experts are now calling for an abrupt slowdown later this year. And there's good reason to think it will happen. With the energy patch saddled by weak oil prices and manufacturers pulling out of the country, forecasts for economic growth have relied on strong consumer spending. But with the Canadian job market shedding 20,000 positions last month, those rosy outlooks now look questionable at best.

If growth stalls, what should you do with your money? Recession-proof stocks. Some businesses are nearly immune to ups and downs in the economy, which means shareholders can always count on their dividend cheques to arrive in the mail.

Here are five:

Stock	Current Yield	Market Cap
Restaurant Brands International	1.0%	$10.06 billion
Fortis Inc.	3.5%	$10.83 billion
Brookfield Infrastructure Partners	3.9%	$45.04 billion
BCE Inc.	4.9%	$45.04 billion
Medical Facilities Corp.	6.9%	$517.4 million

Source: Yahoo! Finance

Let's say a few words about these companies.

Restaurant Brands International Inc. (TSX:QSR)(NYSE:QSR) was the product of a merger between Tim Hortons and Burger King. And while many income investors avoid the stock because of its meager payout, looking over this name because of the yield alone would be a mistake. People don't skip their favourite coffee or burger just because of a recession. As a result, this company should keep cranking out cash flow no matter what the economy is doing.

Next up, **Fortis Inc.** (TSX:FTS)(NYSE:FTS) is probably the definition of a recession-proof stock. When people lose their jobs, the power bill is one of the last payments they skip. If business growth stalls, utilities like Fortis will provide some of the best returns around.

Like a utility, the story is straightforward with **BCE Inc.** (TSX:BCE)(NYSE:BCE). It's a well-run telecom company serving millions of customers across Canada. Customers pay their cellphone bills, you get a dividend—and that's a dividend that has been paid out every year since 1881.

Brookfield Infrastructure Partners L.P. (TSX:BIP.UN) owns one of the strongest, most diversified portfolio of assets I have ever seen. The company owns railroads in Australia, ports across Europe, timberland throughout the United States, and toll roads in South America. And because more than 80% of the partnership's revenues are regulated or under contract, Brookfield's cash flows are practically guaranteed.

Finally, we have **Medical Facilities Corp.** (TSX:DR), which owns six medical and surgical centres across California and the Midwest. People don't stop getting sick when the economy slows now. That means this dividend is one of the most dependable payouts around.

CATEGORY

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Date
2025/08/16
Date Created
2015/05/15

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