



## 3 Recession-Resistant Dividend Picks

### Description

As the Canadian economy works its way through a rough patch, investors are looking for safe stocks that pay decent dividends while offering protection in a difficult market.

Here are the reasons why I think **Emera Inc.** ([TSX:EMA](#)), **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)), and **Agrium Inc.** (TSX:AGU)(NYSE:AGU) are solid picks right now.

#### Emera Inc.

Emera is an electricity generation and natural gas distribution company with about \$10 billion in assets located in Canada, the U.S., and the Caribbean.

The utility business might not sound very exciting, but investors are looking for stability right now, and Emera offers exactly that.

The company recently reported strong Q2 2015 adjusted net income of \$48 million, an 8.6% increase over the same period last year. Things are going so well that management just increased the dividend by 19% and plans to raise the payout by 8% per year through 2019.

The payout of \$1.90 per share yields about 4.2%. Long-term investors have also enjoyed a nice 75% gain in the stock price over the past five years.

#### Rogers Communications

Canada's largest mobile operator is working through a turnaround process aimed at providing better customer service and stemming the flight of cable subscribers to its telecom competitors.

Despite the competitive challenges, Rogers remains a cash machine, and its big bet on the NHL appears to be paying off.

Free cash flow for the second quarter came in at \$476 million, up 9% from \$436 million in Q2 2014.

Rogers pays a dividend of \$1.92 per share that yields 4.2%. The company has increased the payout

by 50% over the past five years, and investors should see the trend continue.

In tough economic times people are not going to cancel their mobile phone or Internet subscriptions, and the TV service would probably be the last thing to go.

### **Agrium Inc.**

Agrium is the world's largest retailer of seed and crop protection solutions. The company is also a major supplier of nitrogen, potash, and phosphate to the global crop nutrients market.

The case for investing in Agrium is a simple one: the world needs to produce more food.

There are about seven billion people on the planet right now and that number is expected to hit 11 billion by 2050. That's a lot of extra mouths to feed, and the amount of land used for farming continues to decrease.

An economic slowdown in Canada is going to have little impact on Agrium's overall business.

The company pays a dividend of US\$3.50 per share that yields about 3.4%. Agrium just completed a major expansion program at its potash facilities, and that should free up significant free cash flow for distribution growth and share buybacks.

If you are looking for a stock you can buy and simply forget about for decades, Agrium is a solid bet.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:RCI.B (Rogers Communications Inc.)

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